

# KAROO HOOGLAND MUNICIPALITY

## INTEGRATED DEVELOPMENT PLAN (IDP)

2017 - 2021



## TABLE OF CONTENTS

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### CHAPTER ONE: INTRODUCTION

|  |    |
|--|----|
| FOREWORD BY THE MAYOR                                      | 10 |
| FOREWORD BY THE MUNICIPAL MANAGER                          | 10 |
| 1.1 EXECUTIVE SUMMARY                                      | 13 |
| 1.2 NATIONAL AND PROVINCIAL PRIORITIES                     | 16 |
| 1.3 BILL OF RIGHTS   | 17 |
| 1.4 MELLENIUM DEVELOPMENT GOALS                            | 17 |
| 1.5 NATIONAL DEVELOPMENT PLAN                              | 18 |
| 1.6 NATIONAL GOVERNMENT OUTCOME 9                          | 19 |
| 1.7 INTERGRATED URBAN DEVELOPMENT FRAMEWORK                | 20 |
| 1.8 NORTHERN CAPE GROWTH AND DEVELOPMENT STRATEGY          | 23 |
| 1.9 DISTRICT POLICY OBJECTIVES WITHIN ECONOMIC DEVELOPMENT | 23 |

### CHAPTER TWO: PLANNING PROCESS

|   |    |
|---|----|
| 2.1 INSTITUTIONAL ARRANGEMENTS/ROLES & RESPONSIBILITIES | 25 |
| 2.2 IDP STEERING COMMITTEE                              | 25 |
| 2.3 IDP REPRESENTATIVE FORUM                            | 26 |
| 2.4 PROCESS OVERVIEW                                    | 26 |
| 2.4.1 PREPARATION FOR THE PROCESS                       | 16 |
| 2.4.2 PHASE 1: ANALYSIS                                 | 27 |
| 2.4.3 PHASE 2: STRATEGIES                               | 27 |
| 2.4.4 PHASE 3: PROJECTS                                 | 28 |
| 2.4.5 PHASE 4: INTEGRATION                              | 28 |
| 2.4.6 PHASE 5: APPROVAL                                 | 28 |
| 2.5 COMMUNITY PARTICIPATION                             | 29 |
| 2.6 COMMUNITY PRIORITY NEEDS PER WARD                   | 29 |
| 2.7 GOVERNANCE  | 31 |

|   |    |
|---|----|
| 2.8 ADMINISTRATION GOVERNANCE                           | 32 |
| 2.9 INTERGOVERNMENTAL RELATIONS                         | 33 |
| 2.10 PUBLIC ACCOUNTABILITY AND PARTICIPATION            | 35 |
| 2.11 IDP ENGAGEMENT REPORT BY THE MEC                   | 36 |
| 2.12 SENCTION 79 PORTFOLIO COMMITTEES                   | 36 |
| 2.13 MUNICIPAL PUBLIC ACCOUNTS                          | 36 |
| 2.14 WARD COMMITTEES                                    | 37 |
| 2.15 COMMUNITY DEVELOPMENT WORKERS                      | 37 |
| 2.16 MAYOROL OUTREACH PROGRAMMES                        | 37 |
| 2.17 BACK TO BASICS                                     | 38 |
| 2.18 POWER AND FUNCTIONS OF KAROO HOOGLAND MUNICIPALITY | 39 |

### **CHAPTER THREE: CURRENT SITUATION**

|  |    |
|--|----|
| 3.1 DEMOGRAPHY                         | 43 |
| 3.2 POPULATION SIZE AND DISTRIBUTION   | 43 |
| 3.3 AGE AND GENDER COMPOSITION         | 43 |
| 3.4 POPULATION GROWTH TREND            | 44 |
| 3.5 HOUSEHOLD INCOME STUCTURE          | 46 |
| 3.6 EDUCATION                          | 47 |
| 3.7 INFRASTRUCTURE                     | 48 |
| 3.8 ACCESSIBILITY                      | 48 |
| 3.9 MODE OF TRANSPORT                  | 49 |
| 3.10 ACCESS TO TRANSPORT               | 49 |
| 3.4.2 MODE OF TRANSPORT                | 35 |
| 3.4.3 ACCES TO SERVICES                | 36 |
| 3.5 LABOUR AND EMPLOYMENT              | 43 |
| 3.6 ECONOMIC STRUCTURE AND PERFORMANCE | 47 |
| 3.6.1 ECONOMIC PRODUCTION              | 47 |
| 3.6.2 SECTORAL COMPOSITION             | 49 |

|  |    |
|--|----|
| 3.6.3 COMPARITIVE ADVANTAGE                              | 50 |
| 3.7 SUMMARY AND CONCLUSION                               | 51 |
| 3.8 SECTORAL INSTITUTIONS                                | 53 |
| 3.8.1 DEPARTMENT OF EDUCATION                            | 53 |
| 3.8.2 DEPARTMENT OF HEALTH                               | 53 |
| 3.8.3 DEPARTMENT OF POLICE                               | 53 |
| 4 STATUS QUO ANALYSIS SERVICE DELIVERY PERFORMANCE       | 61 |
| 4.1 PLANNING   | 61 |
| 4.2 LOCAL ECONOMIC DEVELOPMENT                           | 61 |
| 4.3 SERVICE DELIVERY PERFORMANCE                         | 61 |
| 4.3.1 WATER PROVISION                                    | 61 |
| 4.3.2 WASTE WATER PROVISION                              | 61 |
| 4.3.3 ELECTRICITY PROVISION                              | 62 |
| 4.3.4 WASTE MANAGEMENT                                   | 62 |
| 4.3.5 HOUSING  | 62 |
| 4.3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT           | 63 |
| 4.3.7 ROAD TRANSPORT                                     | 63 |
| 4.3.8 WASTE WATER STORMWATER DRAINAGE                    | 63 |
| 4.3.9 COMMUNITY & SOCIAL SERVICES                        | 63 |
| 4.3.10 ENVIRONMENTAL PROTECTION                          | 64 |
| 4.3.11 HEALTH  | 64 |
| 4.3.12 HEALTH INSPECTIONS AND ABATTOIR                   | 64 |
| 4.3.13 SECURITY AND SAFETY                               | 64 |
| 4.3.14 SPORT AND RECREATION                              | 65 |
| 5 HUMAN RESOURCES SERVICES                               | 65 |
| 6 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICE | 66 |
| 6.1 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT     | 66 |
| 6.2 MANAGING THE MUNICIPAL WORKFORCE                     | 69 |
| 6.3 PERSONELL AND HR POLICIES                            | 69 |

|                                       |    |
|---------------------------------------|----|
| 6.4 NEW AND REVISED POLICIES          | 73 |
| 6.5 DRAFT BY LAWS                     | 73 |
| 6.6 DRAFT POLICIES                    | 73 |
| 6.7 POLICIES TO BE REVISED            | 73 |
| 7 ENVIRONMENTAL AND SPATIAL ANALYSIS  | 74 |
| 7.1 NATURAL ENVIRONMENT               | 74 |
| 7.2 BIODIVERSITY                      | 75 |
| 7.3 WATER SOURCES                     | 76 |
| 7.4 HERITAGE                          | 76 |
| 7.5 SPATIAL DEVELOPMENT               | 77 |
| 7.6 DISASTER MANAGEMENT               | 78 |
| 7.7 CLIMATE CHANGE                    | 80 |
| 7.8 TOURISM SECTOR                    | 82 |
| 7.9 SQUARE KILOMETRE ARRAY            | 83 |
| 7.10 SOUTHERN AFRICAN LARGE TELESCOPE | 85 |
| 7.11 INSTITUTIONAL FRAMEWORK          | 86 |
| 7.12 RENEWABLE ENERGY                 | 87 |
| 7.13 INTERVENTION AREAS               | 89 |
| 7.14 BACK TO BASICS                   | 89 |
| 7.15 PRIORITY INVESTMENT AREAS        | 92 |

## **CHAPTER FOUR: DEVELOPMENT STRATEGIES**

|  |     |
|--|-----|
| 4.1 STRATEGY GUIDELINES  | 93  |
| 4.2 ALIGNED LONG TERM STRATEGIES                                   | 99  |
| 4.3 KEY PERFORMANCE AREAS AND PRIORITY ISSUES AND OBJECTIVES       | 101 |
| 4.3.1 KPA 1 SPATIAL DEVELOPMENT                                    | 102 |
| 4.3.2 KPA 2 SERVICE DELIVERY                                       | 102 |
| 4.3.3 KPA 3 LOCAL ECONOMIC DEVELOPMENT                             | 103 |
| 4.3.4 KPA 4 FINANCIAL VIABILITY                                    | 104 |
| 4.3.5 KPA 5 MUNICIPAL TRANSFORMATION AN ORGANIZATIONAL DEVELOPMENT | 104 |

|  |     |
|--|-----|
| 4.3.6 KPA 6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION | 104 |
|--|-----|

## **CHAPTER FIVE: FINANCIAL PERFORMANCE**

|   |     |
|---|-----|
| 5.1 GRANTS  | 105 |
| 5.2 SPENDING AGAINST CAPITAL BUDGET                       | 107 |
| 5.2.1 CAPITAL EXPENDITURE                                 | 107 |
| 5.3 CASH FLOW MANAGEMENT AND INVESTMENTS                  | 107 |
| 5.3.1 CASH FLOW   | 107 |
| 5.4 BORROWING AND INVESTMENTS                             | 107 |
| 5.5 OTHER FINANCIAL MATTERS                               | 107 |
| 5.5.1 SUPPLY CHAIN MANAGEMENT                             | 107 |
| 5.5.2 GRAP COMPLIANCE                                     | 107 |
| 5.5.3 MUNICIPAL REGULATIONS on STANDARD CHART OF ACCOUNTS | 108 |
| 5.5.4 COMMUNITY PRIORITY NEEDS PER WARD                   | 116 |

## **CHAPTER SIX: PROJECTS**

## **CHAPTER SEVEN: MUNICIPAL PLANS AND STRATEGIES**

|                          |     |
|--------------------------|-----|
| 7.1 PLANS AND STRATEGIES | 152 |
| 7.2 ANNEXURES            | 152 |

# VISION

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Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will enhance economic development with specific focus on poverty alleviation and the creation of direct and indirect job opportunities.

Residents will have direct access to basic minimum services and a culture of pay for services must be promoted. Special focus on the development of life skills, infrastructure and education will add to economic-growth.

A safe and healthy environment must be ensured for the communities of Karoo Hoogland. The Karoo Hoogland municipality will be contributing to the fulfilment of its vision for sustainable development by providing leadership on climate change.

# MISSION

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Provide local leadership on environmental sustainability and climate change response. As an authority that delivers municipal services to Karoo Hoogland municipal jurisdiction, we attempt, by means of a motivated staff, to develop Karoo Hoogland municipal jurisdiction increasingly as a pleasant, safe and affordable living and workplace for its residents - and a hospitable and relaxed visiting place for its visitors.





## ABBREVIATIONS

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|                |  |
|----------------|--|
| <b>AIDS:</b>   | Acquired Immune Deficiency Syndrome                  |
| <b>BBBEE:</b>  | Broad Based Black Economic Empowerment               |
| <b>CAPEX:</b>  | Capital Expenditure                                  |
| <b>CDW'S:</b>  | Community Development Worker                         |
| <b>DEAT:</b>   | Department of Economic Affairs and Tourism           |
| <b>DM:</b>     | District Municipality                                |
| <b>DOL:</b>    | Department of Labour                                 |
| <b>DOT:</b>    | Department of Transport                              |
| <b>DOP:</b>    | Department of Public Works                           |
| <b>DWA:</b>    | Department of Water Affairs                          |
| <b>EMF:</b>    | Environmental Management Framework                   |
| <b>ES:</b>     | Equitable Shares                                     |
| <b>EPWP:</b>   | Expanded Public Works Framework                      |
| <b>FBS:</b>    | Free Basic Services                                  |
| <b>GAMAP:</b>  | Generally Accepted Municipal Accounting Principles   |
| <b>GDP:</b>    | Gross Domestic Product                               |
| <b>GDS:</b>    | Growth and Development Strategy                      |
| <b>GIS:</b>    | Geographical Information System                      |
| <b>HH:</b>     | Household  |
| <b>HIV:</b>    | Human Immunodeficiency Virus                         |
| <b>IDP:</b>    | Integrated Development Plan                          |
| <b>IDP-RF:</b> | Integrated Development Planning Representative Forum |
| <b>IGR:</b>    | Intergovernmental Relations                          |
| <b>IT:</b>     | Information Technology                               |
| <b>KPA:</b>    | Key Performance Areas                                |

|                 |   |
|-----------------|---|
| <b>KPI:</b>     | Key Performance Indicator                           |
| <b>LED:</b>     | Local Economic Development                          |
| <b>LGMSA:</b>   | Local Government Municipal Systems Act              |
| <b>LUMS:</b>    | Land Use Management System                          |
| <b>M and E:</b> | Monitoring and Evaluation                           |
| <b>MSCOA:</b>   | Municipal Regulations on Standard Chart of Accounts |
| <b>NDM:</b>     | Namaqua District Municipality                       |
| <b>NLDTF:</b>   | National Lottery Distribution Trust Fund            |
| <b>NRF:</b>     | National Research Foundation                        |
| <b>SKA:</b>     | Square Kilometer Array                              |

# INTRODUCTION

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## FOREWORD BY THE MAYOR

---

As the newly elected Mayor on 19 August 2016, I confirm that our aim is to build the capacity of Karoo Hoogland Local Municipality to facilitate effective transparent governance and sustainability so that Council is able to meet its community's needs consequently.

Due to the Elections on 3 August 2016 the new Council inherited an already approved Budget for 2016/2017 and received a Qualified Opinion on the Audit Report.

Financially the municipality is in a stable condition. The new Councillors attended an Induction course in municipal affairs.

Reflecting back on the previous years the municipality is sustainable and services were rendered to the various towns and communities.

### Public participation

Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before their Council meetings in each ward. Only a few ward committee meetings were held in three of the wards during the year. During February 2016, March 2016 and April 2016 Budget and IDP meetings were held with the community.

During this programme the Council visits all the wards in the Municipal jurisdiction and interact with the community in the following manners: Sector meetings e.g. Meetings with the youth bodies, businesses and church organisations. Door to door assessment of the conditions of the residents (profile assessment form)

Community meetings

In trying to adhere to the projections of the National Development plan we as Karoo Hoogland Municipality have worked on a few projects during the 2013/2014, 2014/2015 and 2015/2016 financial years. The following are some of the salient projects to be undertaken over the medium-term.

They include:

- Paving of all streets in all three towns;
- Development and upgrading of new sports grounds;(2016/2017)
- Electrification projects;(2016/2017)
- Bulk water projects in Sutherland (Commenced in 2015/2016);
- Sutherland Internal Water network ;(Commenced in 2015/2016)
- Rebelskop Stormwater project; (Commenced in 2015/2016)
- Williston Bulk water supply (Commenced 2014/2015);

- EPWP upgrading of streets projects (every year)

I want to emphasize that socio economic development is a high priority and the three programs namely the Community Works Program, One Hectare One Household and One Ward One Rural Ward One Integrated Development Centre will assist council to tackle the social injustices faced by our local communities. This programs will be adopted as part of the 2017-2018 Integrated Development Plan.

The elections is now something of the past and will the newly elected Council have the opportunity to build on a stable municipality and to enhance the development of the future with new planning and projects to fulfil the service delivery to the communities.

The vision and mission of Karoo Hoogland Municipality must always be in our minds as the Council strives to reach a higher goal.

I have been newly elected to Council as a Councillor and elected to be Mayor in August 2016. Though I have not served on Council during the 2015/2016 year, I am very proud of their accomplishments.

Ms VC Wentzel (Mayor)  
Mayor

## **FOREWORD BY THE MUNICIPAL MANAGER**

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Core components of the Integrated Development Plan is the vision for long term development of the Municipality with special emphasis on the Municipality's most critical development and internal transformation needs.

The various plans and strategies of Karoo Hoogland Municipality outline the importance of socio and economic challenges in the communities of Karoo Hoogland but identify solutions for these challenges.

This Integrated Development Plan can only reach its full potential with the involvement of the different spheres of government with emphasis on co-operative governance to ensure the implementation of the IDP.

I want to thank the communities and stakeholders involve participating in the process of consultation and dialog and were critical in identifying the needs of the people.

The Karoo Hoogland Municipality Annual Report for the 2015/2016 financial year was compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as as other legislation which governs local government.

The 2015/2016 Financial Year ended in a spectacular way as the municipality, for the first time, received an award in Clean Administration from IMFO. It is also the second year that the municipality received a Qualified Audit Opinion. Service delivery of a good standard were achieved and debt collection provided the needed cash to ensure it.

The municipality is achieving most of its goals as was anticipated the previous year. When comparing the Management Letter from the 2014/2015 Financial year to the 2015/2016 Financial year, the items/qualifications reported by the Auditor General decreased from 5 to 2(only Investment property & PPE). 4 of the matters raised in 2014/2015 financial year were satisfactory dealt with and addressed. (Commitments, Cash Flow, Taxes, Fruitless)

An Organogram with job descriptions that was task evaluated were completed after three years. Outstanding financial issues of the previous year were addressed. Various policies and by-laws were revised, rewritten and approved. Attention were given to infrastructure within the budget of the municipality. The Medium Term Strategic Framework states that improvements in Service Delivery have to be complimented by effective accountability to the community.

In line with the Batho Pele Principles, which serves to ensure effective and efficient service delivery, it is therefore critical to identify areas that need improvement in order to serve all communities with integrity and excellence.

The Management wish to express its appreciation to the political leadership for the opportunities that they gave us to serve the people of Karoo Hoogland. The personnel's efforts in implementing the municipality's mandate are able to contribute to make a difference in the quality of the lives of our community.

Mr GW von Möllendorf  
Municipal Manager

# CHAPTER ONE:

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## 1.1 EXECUTIVE SUMMARY

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The Local Government Systems Act (MSA) No.32 of 2000 as amended, and other relevant supplementary legislative and policy frameworks require that Local Government structures prepare Integrated Development Plans (IDP's). In compliance with this legislation Karoo Hoogland Municipality IDP provides the strategic framework that guides the municipalities planning and budgeting over the course of political term.

The current IDP is reviewed annually to re-assess and re-evaluate the municipality's development priorities and challenges and to accommodate new developments. This document is compiled in accordance with the term of the council and will be reviewed annually from 2017 to 2021 by the Karoo Hoogland Municipality. These goals are aligned to the six Local Government Key Performance areas (KPA's) as prescribed by the National department of Cooperative Governance and Traditional Affairs.

The IDP review process will identify a number of goals and objectives that are aimed at creating a pathway for the municipality to realize its vision.

The IDP is a principle strategic planning instrument which guides and informs the following process in a municipality;

- planning,
- budgeting,
- Management and decision-process in a municipality.
- Taking Section 25 and 34 of the Municipal Systems Act (32 of 2000) in consideration, Karoo Hoogland Municipality embarked on this IDP Phase, which addressed the following
- Comments received during IDP Hearings and IDP engagement meetings with Provincial Sector Departments
- Alignment of the IDP with the Provincial Growth and Development Strategy (PGDS) as well as with the National Planning documents
- Areas identified through self-assessment i.e. strengthening of public participation structures;
- The compilation of all outstanding Plans and Programmes;
- The reviewing and updating of existing plans and programmes
- The compilation and implementation of the Service Delivery Budget Implementation Plan (SDBIP) according to the MFMA
- Updating of priority issues, objectives, strategies and projects

Climate change is predicted to negatively impact on the agricultural sector in Namakwa District Municipality. Increased temperatures, drought, and the increase in frequency and severity of storm events will impact on the crops that can be grown and potentially result in a loss of livestock.

The proposed priority responses in the Agriculture Sector are:

1. Provide solar panels for use of borehole water.
2. Assist farmers to implement soil erosion mitigation measures.
3. Develop education and awareness campaigns directed at small scale and commercial farmers.

### **Biodiversity and Environment**

Changes in climate are predicted to result in the shifting of bioregions across South Africa. It is forecast that under different climate scenarios that the District Municipal Area will get hotter and drier leading to a loss of Nama-Karoo and Fynbos biomes, and an increase of the Desert biome. This change will lead to the consequent shift in related ecosystems and vegetation.

The proposed priority responses in the Biodiversity and Environmental Sector are:

1. Commission research aimed at collecting and documenting traditional knowledge on the loss of biomes in the District.
2. Conduct community engagements in collaboration with Conservation South Africa and Department of Agriculture Forestry and Fisheries to promote participatory planning in farming communities.
3. Develop natural resource management programmes such as grazing, river and wetland rehabilitation programmes in collaboration with Conservation South Africa, Biodiversity Social Projects, and Department of Environmental Affairs Working for Water and Working for Wetlands.

### **Coastal and Marine Environment**

Changes in climate such as variable rainfall patterns, drying trends and expected temperature increases will negatively impact on the District's marine and aquatic systems (Namakwa District Municipality 2016). The District is likely to experience frequent and more intense extreme weather events such as droughts and storms. Rising sea levels will pose a potential risk to small coastal communities, while warming seas may impact on fishing communities as water temperatures may not be suitable for the current catch (Namakwa District Municipality 2016).

The proposed priority responses in the Coastal and Marine Environment Sector are:

1. Action National Protected Area Expansion Strategy for the Northern Cape.
2. Delineation/Refinement of the coastal protection zone.
3. Implement and enforce environmental legislation and Environmental Management Programmes (EMPr) in mining areas.
4. Ensure application of Integrated Coastal Management Act / National Environmental Management: Protected Areas Act buffer zones around all estuaries.
5. Formalise and implement the Northern Cape coastal management line for the coast including estuaries.

6. Ensure coastal management line adopted by Municipalities and taken into consideration when building plans are approved.

## **Human Health**

There are a number of different ways that climate change will impact on human health in the Namakwa District Municipality. Projected increases in temperatures due to climate change will result in increased heat stress and impact particularly on the young and elderly, and those working outdoors. Furthermore, favourable conditions for the incubation and transmission of waterborne diseases may be created by increasing air and water temperatures.

The proposed priority responses in the Human Health Sector are:

1. Conduct awareness campaigns that will inform communities on innovative PPE to prevent heat stress.
2. Educate communities and schools on preventative measures on communicable diseases through the existing District Environmental Health and Department of Health Promotion Unit Programmes.
3. Implement alternative water purification methods in collaboration with the District Environmental Health and Department of Health Promotion Unit.

## **Human Settlements**

There are a number of different ways that climate change will impact on human settlements in the Namakwa District Municipal Area. Increases in the severity of storm events and increase in flooding will damage infrastructure which may result in a loss of industrial productivity and service delivery disruptions. In addition, communities in rural areas that depend on subsistence farming may be unable to grow crops that they have grown in the past due to the changing climate. It is predicted that there will therefore be an increase in rates of rural-urban migration. Rural communities may also become more physically isolated due to extreme events impacting on key infrastructure. In addition, income in the tourism industry may decrease as biodiversity and tourism related infrastructure may be negatively impacted on by climate change.

The proposed priority responses in the Human Settlements Sector are:

1. Develop an early warning system directly linked to the South African Weather Services.
2. Implement the Namakwa Renewable Energy Strategy which supports the use of renewable energy as an alternative energy source to traditional energy sources, and consider it in new planning of new housing projects (installation of solar geysers).
3. Develop policies that will look at the paving and maintenance of road infrastructure in the District Municipal Area.



## Water

Namakwa District Municipality is currently experiencing issues of water scarcity and quality. Climate change is expected to exacerbate this problem. Drought, reduced runoff, increased evaporation, and an increase in flood events will impact on both water quality and quantity.

The proposed priority responses in the Water Sector are:

1. Upgrade all wastewater treatment works and water purification plants in the District Municipal Area.
2. Review and implement by-laws.
3. Investigate the feasibility of a desalination plant in Port Nolloth.

## Cross-cutting factors

In addition to the sector focused projects, a number of cross-cutting institutional responses were identified based on two previous vulnerability assessments for the District. These vulnerability assessments were conducted in 2012 (Bourne et al. 2012) and 2015 by Conservation South Africa (Bourne et al. 2015). Furthermore through LGCCS stakeholder engagements it was established that Namakwa District Municipality does not currently have enough resources and capacity to coordinate and manage climate change responses across sectors within the District. Institutional capacity, and resources, including finances, are required.

The proposed cross-cutting priority responses are:

1. Mainstream climate change into the Local and Municipality IDPs.
2. Establish a monitoring and evaluation system to measure the implementation of the climate change response plan.
3. Encourage community participation through innovative climate change adaptation methods (e.g. “bring a hat”).
4. Ensure that Disaster Management Plans adhere to the amended climate change legislation.

## 1.2 NATIONAL AND PROVINCIAL PRIORITIES

There is multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path pace and direction for the country’s socio economic development.

**Table 1: Legislations and policies that guide the development of the IDP**

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• The Constitution of the Republic of South Africa (1996)</li> <li>• White paper on Local Government (1998)</li> <li>• Municipal Demarcation Board (1998)</li> <li>• Municipal Systems Act of 2000</li> <li>• Municipal Structure Act of 1998</li> <li>• Municipal Finance Management Act (2003)</li> <li>• National Property Rates Act (2004)</li> </ul> | <ul style="list-style-type: none"> <li>• White paper on Environmental Management</li> <li>• Millennium Development Goals</li> <li>• 12 Outcomes of Local Government</li> <li>• Integrated Sustainable Rural Development Strategy</li> <li>• Industrial Strategy for RSA</li> <li>• The National Youth Development Agency</li> </ul> |
|--|---|

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• National Transport Act (2000)</li> <li>• Empowerment Equity Act (2004)</li> <li>• Skills Development Act</li> <li>• White Paper on Spatial Plannig</li> <li>• White Paper on Safety and Security</li> </ul> | <ul style="list-style-type: none"> <li>• (2008)</li> <li>• Domestic Tourism Strategy (2004-2007)</li> <li>• National Development Plan 2030</li> <li>• Disaster Management Act 57 of 2002</li> <li>• Northern Cape Provincial Growth and Development Strategy</li> <li>• Integrated Urban Development Framework</li> <li>• District Integrated Development Plan</li> </ul> |
|--|---|

In order to ensure that there is proper alignment between the strategic direction of the municipality it is necessary to keep National and Provincial priorities in mind during the review of the strategic intent of the municipality.

- Constitution of the Republic of South Africa
- Millennium Development Goals
- National Development Plan Vision 2030
- National Government Outcome 9
- Northern Cape Growth and Development Strategy
- District Growth and Development Strategy
- Integrated Urban Development Framework and 2016 -2019 Implementation Plan

Key points arising from these documents are summarized below

### **1.3 BILL OF RIGHTS (CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA)**

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- The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in the country and affirms the democratic values of human dignity; equality and freedom;
- The statement must respect, protect, promote and fulfill the rights in the bill of rights;
- The rights in the bill of rights are subjected to the limitations contained or referred for in section 36 or elsewhere in the bill.

### **1.4 MILLENNIUM DEVELOPMENT GOALS**

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The Millennium Development Goals are as follows;

- Develop a global partnership for development and eradicate extreme poverty and hunger;
- Ensure environment sustainability;
- Reduce child mortality improve maternal health and combat HIV/AIDS and other diseases;
- Promote gender equality and empower women;
- Achieve universal primary education;

## 1.5 NATIONAL DEVELOPMENT PLAN - 2030

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The National Development Plan developed by the National Planning Commission and unveiled on 11 November 2011 states that:

“South Africa can eliminate poverty and reduce inequality by 2030. It will require change hard work leadership and unity our goal is to improve the life chances of all South Africans but those young people who presently live in poverty. The plan asks for a major change in how we go about our lives. In the past we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like”

The plan helps us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. Everything in the plan is aimed at reducing poverty and inequality. Our view is that government should shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in.

South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This will be achieved by prioritising the following initiatives:

Enabling milestones are:

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.

- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.
- An economy that will create more jobs
- Improving infrastructure
- Transition to a low-carbon economy
- An inclusive and integrated rural economy
- Reversing the spatial effect of apartheid
- Improving quality of education, training and innovation
- Quality health care for all
- Social protection
- Building safer communities
- Reforming the public service
- Fighting corruption
- Transforming society and uniting the country

## **1.6 NATIONAL GOVERNMENT OUTCOME 9**

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Cabinet approved government performance monitoring and evaluation system and the management for outcomes. This includes 12 outcomes that collectively address the main strategic priorities of government.

Outcome 9, “A responsive, accountable, effective and efficient local government system”, specifically deals with local government and also needs to be aligned and integrated in other national, provincial, district priorities and strategies. The Delivery Agreement for Outcome 93 identifies the following 7 outputs with sub outputs that are linked to Outcome 9 and are as follows:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
  - Policy framework for differentiation
  - More autonomy to six metros and top 21 municipalities in respect of infrastructure and housing delivery
  - A focused intervention for clearly defined smaller municipalities
- Output 2: Improved access to basic services
  - Increased access to basic services
  - Bulk infrastructure fund established

- Established special purpose vehicle
- Output 3: Implement the community work programme and cooperatives supported
  - Job creation supported through the community work programme
  - Job creation supported through the establishment of cooperatives where feasible
- Output 4: Actions supported by the human settlement outcomes
  - Increased densities in Metro's and large town supported
  - Land acquisition for low income and affordable housing supported
  - Informal settlements in 45 priority municipalities upgraded
- Output 5: Deepened democracy through a refined ward committee model
  - Review and strengthen the legislative framework for Ward Committees and community participation
  - Support measures to ensure that 90% of ward are fully functional by 2014
- Output 6: Improved municipal financial and administrative capacity
  - Improved audit outcomes of municipalities
  - Reduced municipal debt
  - Municipal overspending on Opex reduced
  - Municipal under spending on Capex reduced
  - Municipalities spending less than 5% of Opex on repairs and maintenance reduced
  - Improved administrative and human resource management practices
- Output 7: Single window of coordination
  - Review local government legislation
  - Coordinated support, monitoring and intervention in provinces and municipalities

## 1.7 INTERGRATED URBAN DEVELOPMENT FRAMEWORK CORE ELEMENTS

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The IUDF's overall outcome – **spatial transformation** reversing the inefficient spatial patterns in a way that promotes both social and economic development while protecting.

The IUDF proposes 3C growth model = **compact connected** and **coordinated** cities and towns as opposed to fragmented development.

**Land, transport, housing, and jobs** are key structuring elements critical for the attainment of the outcome.

**The overall objectives is to create efficient urban spaces by:**

- Reducing travel cost and distances
- Aligning land use transport planning and housing
- Preventing development of housing in marginal areas
- Increasing urban densities and reducing sprawl
- Shifts jobs and investment towards dense peripheral townships

- Improve public transport and the coordination between transport modes

**Rural urban interdependency**, recognize the need for a more comprehensive integrated approach to urban development that responds to both urban and the rural environments.

**Urban resilience**, or disaster risk reduction and mitigation interventions in the planning and management of urban areas.

**Urban safety**, particularly safety in public are essential ingredients for creating liveable and prosperous cities.

### Reaping the URBAN DIVIDEND



### The new Urban Agenda

- Coordinated Investments in people and places
- Focus on solutions for equal cities
- Priorities actions

### Includes short term (2016-2019)

Short term priorities linked to current MTSF and identification of priority municipalities

- proposed projects to be reviewed every 3 years to monitor progress, readjust or reprioritise
- Identified strategies and action plans fall into two broad groups:
  - **Establishing the legislative, policy and planning environments for the IUDF. A national committee is required to drive the identified objectives and actions that reports regularly into the relevant national structure(s) on progress made.**
  - **Implementing at a municipal level objectives and actions, according to a differentiated framework.**

- implementation plan includes activities and projects that are already in progress as well as proposals of new priorities and projects
- Some of these **projects may already be monitored** and reported on in terms of the various departmental outcomes, while others will require additional establishment, monitoring and reporting mechanisms.
- The lead department/ institution is identified for each project proposed

**Short term priorities includes;**

- A list of priority municipalities (97 in total) and key action plans.

**Criteria used to priorities municipalities**

**Spatial Scale**

- all municipalities with at least an urban population of 45000 people,
- fast-growing municipalities, particularly as a result of mining activities
- 97 municipalities identified accommodate over 75% of the population of South Africa

**Demographic Scale and Growth**

- Identified municipalities constitute the areas in which highest densities are found- having over 500 persons per square kilometre)

**Economic Context**

- financial and economic model promoting sustainability and a means to address the poor and indigent
- different scenarios across the cities (combinations of poverty and unemployment) requires the need for solutions packaged to local context.

**Service Delivery and Backlogs**

- Diagnostic survey of the current state of each of these urban areas will be undertaken to ensure that short-term priorities in the action plans are properly focused.

**How will this work be undertaken, monitored and evaluated?**

- Provincial departments responsible for local government, DCoG will finalise the priority areas and action plans for individual municipalities, against which the IUDF implementation will be monitored and evaluated.
- **Identify and implement strategic interventions** in the identified intermediary, medium and small towns to strengthen planning, governance and economic development in line with the Back to Basics Programme and existing strategic government programmes.
- Develop **spatial contracts for key restructuring zones** in metropolitan municipalities and intermediate cities
- Develop and **implement a model(s) to improve integrated planning in secondary cities** to promote spatial integration and economic development.
- Finalise a model/framework/protocols to fast-track **release and acquisition of state-owned** land key for spatial transformation.
- Develop and implement a framework to **improve alignment and coordination between various SIPs** and other strategic initiatives impacting on urban spaces.



- Upscale the implementation of the red tape reduction in priority municipalities.

## **1.8 NORTHERN CAPE GROWTH AND DEVELOPMENT STRATEGY**

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The Northern Cape Growth and Development Strategy main objective for development planning in the Province are;

- a. Promoting the growth diversification and transformation of the provincial economy
- b. Poverty reduction through social development
- c. Developing requisite levels of human and social capital
- d. Improving the efficiency and effectiveness of governance and other development institutions
- e. Enhancing infrastructure for economic growth and social development

Northern Cape Local Economic Development Strategy investigated the options and opportunities available to broaden the Local Economic base of the Province in order to promote the creation of employment opportunities and the resultant spin-off effects throughout the Local Economy. Areas of opportunity included.

- a. Livestock products
- b. Game Farming
- c. Horticulture
- d. Mariculture
- e. Ago related industries
- f. Tourism
- g. Manganese and Iron Ore
- h. Beneficiation of minerals
- i. Renewable energy

## **1.9 DISTRICT POLICY OBJECTIVES WITHIN ECONOMIC DEVELOPMENT**

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Namakwa District Integrated Development Plan Key Performance areas;

- a. Municipal Transformation and Organisational Development
- b. Basic Service Delivery and Infrastructure
- c. Local Economic Development
- d. Municipal Financial Viability and Management
- e. Good Governance and Public Participation

The Namakwa District Municipality Local Economic Development Strategy identifies various opportunities (projects and programmes) namely:

- a. Institutional Development
- b. SMME Development
- c. Agricultural Sector Development
- d. Mining Sector Development (including the benefaction projects One Stop Mining Centre and the implementation of new technologies)



- e. Industrial Development
- f. Renewable Energy Development (including wind, wave, solar, and biogas energy)
- g. Space Research and Development
- h. Tourism Development
- i. Quality of Life Improvement

## CHAPTER TWO: PLANNING PROCESS

The Municipal Systems Act of 2000, Section 35 states that an integrated development plan (IDP) adopted by the Council of a municipality is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality. The IDP process also provides an opportunity for the municipality to debate and agree on a long term vision for the development of the municipality. Among the core components of an IDP, the following matters must also be outlined in the IDP:

- the municipal Council's vision for the long term development of the municipality with special
- emphasis on the municipality's most critical development and internal transformation needs;
- an assessment of the existing level of development in the municipality, which must include an
- identification of communities which do not have access to basic municipal services;
- the Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the Council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the Council's operational strategies;
- applicable disaster management plans;
- a financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of the Performance Management System.

| No | Activity  | Timeframe |
|----|---|-----------|
| 1  | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure That reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | July      |
| 2  | Implementation and monitoring of approved Budget and IDP commences (In-ear financial reporting).  |           |
| 3. | Finalize the 4 <sup>th</sup> quarter Report for previous financial year.  |           |

|    |  |                     |
|----|--|---------------------|
| 4  | Submit draft year 1 Annual Report to Internal Audit and Auditor-General.   |                     |
| 5  | Municipal entities submit draft annual reports to MM.  |                     |
| 6  | Audit/Performance Committee considers draft Annual Report of Municipality and entities (where relevant).                               | August              |
| 7  | Mayor tables the unaudited Annual Report   |                     |
| 8  | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General. |                     |
| 9  | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.                           |                     |
| 10 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.                          | September – October |
| 11 | Municipality receives and starts to address the Auditor General's comments.  | November            |
| 12 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.                     |                     |
| 13 | Audited Annual Report is made public and representation is invited   |                     |
| 14 | Oversight Committee assess Annual Report   |                     |
| 15 | Council adopts Oversight report  | December            |
| 16 | Oversight report is made public  |                     |
| 17 | Oversight report is submitted to relevant provincial Councils  |                     |
| 18 | Commencement to draft Budget / IDP finalization for next financial year. Annual Report And Oversight Reports to be used as input.      | January             |

## 2.1 INSTITUTIONAL ARRANGEMENTS / ROLES & RESPONSIBILITIES

Karoo Hoogland Municipality is a category B municipality within the Namakwa District.

The IDP Forums facilitates the process of planning, implementation and management of the IDP in the Municipality plays a vital role in driving the process. The IDP Representative Forum is the structure which keeps the Municipality accountable and is represented by all spheres of the community. The Municipal Council is the ultimate political decision-making body which gives effect to the IDP.

## 2.2 IDP STEERING COMMITTEE IS RESPONSIBLE TO:

- Provide relevant technical, sector and financial information for priority issues;
- Contribute technical expertise in the consideration and finalization of strategies and identification of new projects;
- Provide departmental operational and capital budgetary information;
- Be responsible for the preparation of project proposals, the integration of projects and sector programmes;
- Provide terms of reference for the various planning activities;
- Commission research studies

- *Consider and comments on:*
  - inputs from sub-committee/s, study team and consultants;
- inputs from provincial sector departments and support providers;
- Process and summarize documents - outputs;
- Make content recommendations;
- Prepare, facilitates and documents meetings.

## 2.3 IDP REPRESENTATIVE FORUM:

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The IDP Representative Forum is the main link between the community and the Council. This body's purpose is to serve the needs of the community, to ensure that task teams function effectively, to ensure that the process complies to agreed principles and that the process complies to national policy. The IDP Representative Forum consists of members from all spheres within the community, i.e. ward committees, ward councillors, agricultural sector, tourism sector, business sector, educational sector etc.

## 2.4 PROCESS OVERVIEW: STEPS AND EVENTS

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### 2.4.1 PREPARATION FOR THE PROCESS:

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Preparation in Karoo Hoogland involved the production of an IDP Process Plan, containing the following: The IDP Process Plan was adopted by council and is attached as **Annexure A**.

In terms of the Process Plan it was proposed to initiate the IDP Process and involve the broad public through a road show. This consisted of 3 public hearings throughout the Karoo Hoogland Municipal area of jurisdiction and 1 IDP conference.

Councillors will be requested to liaise with their ward committees to ensure their respective wards are informed/notified of the public sessions. Notices will be published in local newspapers in Afrikaans and English, providing dates and venues for the workshops

- Institutional structures established for management of the process
- Approach to public participation
- Structures established for public participation
- Time schedule for the planning process
- Roles and responsibilities
- Monitoring of the process

The general public will be informed of the Integrated Development Plan Process and requested to participate and voice their needs, concerns and aspirations, through becoming involved as an organized group, stakeholder, interested and effected party, through registering onto a Database for more regular direct involvement as part of the Integrated Development Plan Representative Forum.

The following methods will be used to inform the public and to disseminate information with regard to the Integrated Development Plan Process, via:

- ✓ Public Media (Newspapers Advertisement)
- ✓ Flyers handed to councilors to distribute through their respective ward
- ✓ Strategic sessions with councilors to equip them with relevant information pertaining to the process, roles and responsibility of various stakeholders, etc

#### **2.4.2 PHASE 1: ANALYSIS**

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This phase dealt with the existing situation and focused on the type of problems faced by people in Karoo Hoogland Municipality. The problems identified were weighed according to their urgency and / or importance to come up with those to be addressed first, i.e. priority issues. This phase also dealt with identification of existing economic potential in areas and specific communities. The Municipality had to further familiarize itself with existing and accessible resources and limitations in order to decide on realistic solutions.

The outputs of this phase are:

- Intensive public participation process per ward to gather information regarding possible potential as well as problems hampering socio-economic development
- Assessment of existing level of development
- Priority issues
- Information on causes of priority issues
- Information on available resources

#### **2.4.3 PHASE 2: STRATEGIES**

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This phase focused on formulating solutions to address the problems identified. It also focused on aligning Municipal strategies to provincial and national guidelines and strategies as indicated in the Provincial Growth and Development Strategy (PGDS) and National Planning Documents. This phase included the formulation of:

- The vision – a statement indicating the ideal situation Karoo Hoogland Municipality would like to achieve in the long term
- Development objectives – statements of what Karoo Hoogland Municipality would like to achieve in the medium term in order to address the issues and also contribute to the realization of the vision. Objectives bridge the gap between the current reality and the vision.

- Development Strategies – provide answers to the question of how Karoo Hoogland Municipality will reach its objectives. They are strategic decisions about the most appropriate ways and means to achieve the objectives

#### **2.4.4 PHASE 3: PROJECTS**

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This phase is about the identification and design of projects linked to strategies, for implementation.

The outputs of this phase include:

- Performance indicators
- Project outputs, targets and location
- Project related activities and time schedules
- Cost and budget estimates

#### **2.4.5 PHASE 4: INTEGRATION**

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In this phase Karoo Hoogland made sure that projects are in line with the Municipality's objectives and strategies, as well as with the resource framework and comply with legal requirements. This was further an opportunity for the Municipality to harmonize the projects in terms of contents, location and timing in order to arrive at consolidated and integrated programmes, e.g. LED strategy

The output of this phase is an operational strategy which includes:

- Service Delivery Budget Implementation Plan

#### **2.4.6 PHASE 5: APPROVAL**

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Once the IDP was completed and reviewed, the Municipality gave an opportunity to the public to comment on the draft document. Furthermore it was submitted to council for consideration and approval. Only after the IDP was amended according to input from the public, did council consider it for approval.

Under the new constitution, Karoo Hoogland Municipality has been awarded major developmental responsibilities to ensure that the quality of life for its citizens is improved. The new role for local government includes provision of basic services, creation of jobs, promoting democracy and accountability and eradication of poverty. Preparing and having the IDP therefore enables Karoo Hoogland Municipality to be able to manage the process of fulfilling its development responsibilities.

Through the IDP, the Municipality is informed about the problems affecting the Karoo Hoogland municipal area and, being guided by information on available resources, is

able to develop and implement appropriate strategies and projects to address the problems.

Any planning guidelines have to keep in mind that planning is not an end in itself, but a tool to arrive at more appropriate effective and speedy delivery of services to the people. Keeping a close and transparent link between planning, improved public management and delivery is, therefore, the most important guiding principle for the guidelines.

## 2.5 COMMUNITY PARTICIPATION

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Community participation is an integral part and the heart of integrated development planning process; hence the municipality also embarks on a programme known as the Community Consultation Programme. The municipality undertakes its own community participation programme twice in a financial year cycle. The first consultation process is done during the analysis phase wherein municipal officials meet with various stakeholders at ward level to collect service delivery data. The second consultation is conducted after the adoption of the draft IDP document of the next financial year. In addition to this engagement there are various other stakeholder meetings such as IDP Managers' Forum, IDP Rep Forum, and District Development Planning Forum which comprise a wider representation of stakeholders, ranging from business, labour, civil society, Traditional leaders, Ward committees and Councillors as well as members of the public among others. The core processes are implementation, evaluation and monitoring of the IDP programmes/projects.

## 2.6 COMMUNITY PRIORITY NEEDS PER WARD

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The municipality's consultation process has culminated in the identification of various delivery needs and priorities. The service delivery identified as priorities at various wards in the Karoo Hoogland Municipality have been summarized to inform the IDP and budget process.

Karoo Hoogland Municipality would endeavor to engage with responsible district, provincial and national departments in ensuring implementation of projects aimed at attaining ward specific priorities. The below mentioned community needs emanates from the stakeholders engagement and community participation conducted when developing the 2017/2018 IDP document. The needs tabled below are those emanating from the previous consultations including the 2016/2017 consultations.

Needs as identified by the communities will be funded in projects through the municipalities **Capital** and **Operational** budget as well as projects from other spheres of government.

The municipality do submit business plans for projects to the different spheres of government as indicated above.

Please see list below as prioritized by the communities through the public participation process.

| WILLISTON  |   |      |        |     |
|------------|---|------|--------|-----|
| WARD       | NEEDS PER WARD                                    | HIGH | MEDIUM | LOW |
| 1.         |   |      |        |     |
|            | Water Upgrading                                   | ✓    |        |     |
|            | Paving of Streets                                 | ✓    |        |     |
|            | Waterborne Sewer System                           | ✓    |        |     |
|            | SMME Development                                  |      | ✓      |     |
|            | Housing   | ✓    |        |     |
|            | Municipal Plots                                   |      |        | ✓   |
|            | Fencing of Graveyard                              |      |        | ✓   |
|            | Sportsground Das Louw playing surface             |      | ✓      |     |
|            | Eradication of UDS Toilets                        | ✓    |        |     |
|            | Community Multipurpose Centre                     |      | ✓      |     |
|            | Electricity supply                                |      | ✓      |     |
|            | Old Station Building                              |      |        | ✓   |
| FRASERBURG |   |      |        |     |
| WARD       | NEEDS PER WARD                                    | HIGH | MEDIUM | LOW |
| 2.         | Fraserburg/Williston road must be tared           | ✓    |        |     |
|            | Upgrading of roads and stormwater                 | ✓    |        |     |
|            | Training of operators                             | ✓    |        |     |
|            | Speedbumps  |      | ✓      |     |
|            | Street names ASLA                                 |      | ✓      |     |
|            | Eco Tourism e.g (Peperbus, Museum, Paleo Surface) | ✓    |        |     |
|            | Day Clinic  |      | ✓      |     |
|            | Prepaid Electricity                               |      | ✓      |     |
|            |   |      | ✓      |     |
| SUTHERLAND |   |      |        |     |
| WARD       | NEEDS PER WARD                                    | HIGH | MEDIUM | LOW |
| 4.         | Tourism information Office                        | ✓    |        |     |
|            | Street names                                      |      | ✓      |     |
|            | Recreational Facilities (Sports + Playpark)       | ✓    |        |     |
|            | Free Wi Fi for the community                      |      |        | ✓   |
|            | SMME development                                  |      | ✓      |     |
|            | Public Toilets                                    |      | ✓      |     |
|            | Paving of Roads                                   | ✓    |        |     |
|            | Housing   | ✓    |        |     |
|            | Eradication of UDS toilets                        | ✓    |        |     |
|            | Municipal Traffic officer                         |      |        | ✓   |
|            | Training Centre                                   | ✓    |        |     |
|            | Upgrading of Graveyard (Cleaning and Greening)    |      | ✓      |     |
|            | Multipurpose Centre                               | ✓    |        |     |
|            | House of safety                                   |      | ✓      |     |
|            | SALT must be more involved in the community       |      | ✓      |     |
|            | Safe Parks for Children                           |      | ✓      |     |
|            | Disabled friendly community facilities            |      |        | ✓   |



|  |  |   |   |   |
|--|--|---|---|---|
|  | Braai Spots + Swimming pool                        |   | ✓ |   |
|  | Hawks Area   |   |   | ✓ |
|  | Government Satellite Offices                       |   | ✓ |   |
|  | Wind Farm  |   | ✓ |   |
|  | Unemployment                                       | ✓ |   |   |
|  | Community Funds Bursary for Athletes and Transport |   | ✓ |   |

## 2.7 GOVERNANCE

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The Municipal Demarcation Board annually undertakes capacity assessments of all local authorities in South Africa recommendations to the Provincial MEC of Local Government with regard to the capacity of each municipality to perform its functions of the Municipal Systems Act.

Chapter 3, Section 18, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) provides that:

- Municipalities must have a municipal council.
- A municipal Council must meet at least quarterly.
- A municipal council consists of a number of councillors determined by the MEC of Local government and traditional affairs in the province concerned by notice in the government gazette.
- A municipality has the power to designate councillors determined by the MEC for Local government and traditional affairs as full time. An MEC's determination must be in accordance with policy frame work as determined by the Minister after consulting the MECs for Local government and traditional affairs.

Chapter 7, Section 152(1) of the Constitution of the Republic of South Africa, 1996, states the following objects of local government:

- To provide democratic and accountable government for local communities.
- To ensure the provision of sustainable services to communities.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in matters of local government.

Chapter 3, Section 19(2), of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) states that a municipality must annually review:

- (a) the needs of the community;
- (b) its priorities to meet those needs;
- (c) its processes for involving the community;
- (d) its organisational and delivery mechanisms for meeting the needs of the community; and
- (e) its overall performance in achieving the objectives referred to in subsection (1).



Section 19(3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) determines that a council must develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

The Municipal Demarcation Board annually undertakes capacity assessments of all local authorities in South Africa and makes recommendations to the Provincial MEC of Local Government with regard to the capacity of each municipality to perform its functions in terms of the Municipal Structures Act. The powers and functions of KHM were not adjusted for the year under review. The municipality still performs 21 functions which is more than the average of 20 in our province.

The powers and functions of Karoo Hoogland LM were not adjusted for the year under review. The municipality still performs functions which is more than the average of 20 in our province.

The municipality delivers services to Williston, Sutherland and Fraserburg and surrounding areas.

## **2.8 ADMINISTRATIVE GOVERNANCE**

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In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 60 the Municipal Manager of a municipality is the accounting officer of that municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political officer bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 61 (1) a Municipal Manager must:

- “(a) act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs;*
- (b) Disclose to the municipal council and mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or mayor;*
- (c) Seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interest of the municipality.”*

The Municipal Manager is the head of the administration of Karoo Hoogland Municipality and provides the link between the political and administrative arms of the Municipality. Section 66 of the Local Government:

Municipal Systems Act, 2000 (Act 32 of 2000) states the following:

- “66(1) a municipal manager within a policy framework, determine by the municipal council and subject to any applicable legislation, must*
- (a) develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval.”*

In terms of the above-mentioned section the Municipal Manager embarked on a process of reviewing the staff establishment since October 2013. The new proposed staff

establishment tabled by the Consultant was pre-approved by Council January 2014. Council adopted the new Organogram on 9 December 2015, however a few processes should follow before being fully implemented.

The organisational compilation of the office of the Municipal Manager is as follows:

Office of the Mayor  
Office of the Municipal Manager

**Macro-structure:**

Directorate Corporate Services  
Directorate Financial Services  
Directorate Infrastructure Services

**Municipal Manager**

Mr G Von Mollendorf  
Filled

**Corporate Service Manager**

Mr Nothnagel resigned in April 2014  
Vacant

**Chief Financial Officer**

Mr S Myburgh  
Filled

**Infrastructure Services Manager**

Mr FJ Lotter  
Filled

## 2.9 INTERGOVERNMENTAL RELATIONS

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### NATIONAL INTERGOVERNMENTAL STRUCTURES

The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) states that the role of the National Intergovernmental Forums is:

- To raise matters of national interest within that functional area with provincial governments and, if appropriate, organized local government and to hear their views on those matters
- To consult provincial governments and, if appropriate, organized local government on-
  - The development of national policy and legislation relating to matters affecting that functional area.
  - The implementation of national policy and legislation with respect to that functional area.
  - The co-ordination and alignment within that functional area of strategic and performance plans and priorities, objectives and strategies across national, provincial and local governments.

- The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the provincial government and local government in the province

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

As stated by Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the Provincial Intergovernmental forums are:

- The implementation in the province of national policy and legislation affecting local government interests.
- Matters arising in the Presidents co-coordinating council and other national intergovernmental forums affecting local government interests in the province.
- National policy and legislation relating to matters affecting local government interests in the province.
- The co-ordination of provincial and municipal development planning to facilitate coherent planning in the province as a whole.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

According to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the District Intergovernmental forums is:

- to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest including-
- ✓ Draft national and provincial policy and legislation relating to matters affecting local government interests in the district.

### **CURRENT STRUCTURES IN PLACE**

Meetings and interactions on the following levels are regularly attended to enhance the Municipality regarding National and Provincial Government Policies and practices.

- Work closely with District Municipality, Provincial Government and SALGA to finalize the Provincial Urban Development Framework.
- Rollout of National Local Government anti-corruption strategy to all Municipalities and coordinate the implementation of the strategy at a local level.
- Support regarding implementation of the Municipal Property Rates Act.
- Support Municipality to comply with MFMA priority areas for implementation.
- The Provincial IDP engagement process and ensure alignment with LED strategies of Municipalities and PGDS.
- Alignment of all sector plans with the PGDS and IDP's and the NSDP so as to meet service delivery targets.
- District to align sector plans i.e Housing and MIG and Municipalities IDP.
- Alignment of LED with District LED and the Provincial PGDS.
- Regular Back 2 Basics Reporting to the District since February 2015 as well as bi-annually reporting.

## **2.10 PUBLIC ACCOUNTABILITY AND PARTICIPATION**

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Procedures for community participation processes as set out in legislation adhered to by timeously giving out meeting notices. This is Council meetings and Public meetings.

The municipality has made special efforts to enhance communication with the general public through various organized structures. The relationship with organized NGO's such as local ratepayer's associations has improved.

Council has endeavored to meet its legal obligations with regarding public participation with special reference to the following meetings which were held:

- IDP meetings
- Budget meetings
- Imbizo's

Ward Committees were established; however, unfortunately they were not active and functional.

Public Newsletters were circulated as well as public notices to keep the community informed.

Timeously distribution of Council agendas resulting in an almost 100% attendance of scheduled meetings.

- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- The Municipal website currently focuses on tourism and will be utilized in 2015/2016 to upload compulsory documents requested by legislation for the community to view and comment on.

### **• COMMUNITY DEVELOPMENT WORKERS**

- CDW's deployed.
- There are 5 CDW's in KHM. Two in Fraserburg, two in Sutherland and one in Williston.
- There is a fairly good relationship with them and they are mainly being utilized to promote communication between Council and the public.

### **• DISTRICT IGR FORUM FUNCTIONALITY**

- The IGR in the Namaqua District is functional and is attended by the Mayor and Municipal Manager on regular basis.

## **OVERVIEW OF CORPORATE GOVERNANCE**

Municipalities must exercise their executive and legislative authority within a system of co-operative government as outlined in Section 41 of the Constitution.

The corporate governance component is clearly identified and prescribed in the Municipal Systems Act as well as the Municipal Financial Management Act. The following sub-components are highlighted:

### **2.11 IDP ENGAGEMENT REPORT BY THE MEC**

---

Karoo Hoogland Municipality values the IDP engagement conducted by the MEC COGHSTA as an important part of the IDP process and credibility of the document. Karoo Hoogland Municipality was found to maintain the improvements in previous financial years. The retention of improvements within the municipality including assistance from the provincial sector departments. If a score for the 2015/2016 IDP became available a score a table will be added to indicate the score.

### **2.12 SECTION 79 PORTFOLIO COMMITTEES**

---

In terms of Section 9 of the Local Government Municipal Structure Act (No. 117 of 1998) Karoo Hoogland LM is a Category B municipality with a plenary executive system combined with a ward participatory system.

In order to enhance good governance and accountability, the Municipality adopted the separation of powers. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit Karoo Hoogland and its communities. Council has established section 79 committees to play an oversight role and monitor the work of the administration. The established Committees are aligned to administrative departments of the municipality and are chaired by councillors.

The following committees were established:

- Corporate Services
- Infrastructure
- Finances
- MPAC

### **2.13 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

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As previously noted The Karoo Hoogland Municipality has established a Municipal Public Accounts Committee (MPAC). The main responsibility of MPAC is to provide oversight on operational performance and other related management aspects of the Municipality as delegated by Council. The MPAC can recommend or undertake any investigation in its area of responsibility. The primary function of MPAC was originally to provide comment on the Annual Report through the oversight report, but can be

mandated to perform ad-hoc investigations as requested. The Annual oversight report provides guidance to Council on whether to adopt the Annual Report.

## **2.14 WARD COMMITTEES**

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To further strengthen community engagement the municipality the Karoo Hoogland Municipality has established (4) ward committees in terms of Municipal Structures Act of 1998. Each ward committee comprises of (10) members per ward and thus serve as a vital link between the municipality and the community. All the established committees are functional and submit their reports to the office of the speaker on monthly basis. The effectiveness of these committees is negatively impacted through lack of knowledge on the role and responsibilities and insufficient work resources such as cell phones. Requisite training will be provided through Coghsta to address the former.

## **2.15 COMMUNITY DEVELOPMENT WORKERS**

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Institutional capacity building will be needed to empower communities to maintain infrastructure, and business training will be required to enable communities to sustain economic initiatives. The system of Community Development Workers could support this initiative extensively and the Karoo Hoogland Municipality should investigate ways and means to implement this concept in the municipal area.

Community participation on the part of Karoo Hoogland Municipality is not a choice, but constitutional obligation and legal requirement. The Elias Karoo Hoogland Municipality should strive to narrow the current chasm between policy and practice.

Challenges facing Community Development Workers are:

- Lack of office space
- Transport to attend workshops and other important activities

## **2.16 MAYORAL OUTREACH PROGRAMMES**

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Apart from the Ward Committees the only other mechanism in place in the municipal area is the Mayoral Outreach Programme. The Mayoral Committee outreach at the moment does not ensure that communities and beneficiaries ultimately take ownership of infrastructure and assets the Karoo Hoogland Municipality invest in their communities. In establishing partnerships with communities, the municipality need to ensure that participation is formalised and strengthened.

The Karoo Hoogland Municipality will also have to work with existing organised groupings in the community, the social movements like NGOs/CBOs, youth and women formations, businesses, farmers (both subsistence and commercial), disabled and many other organised civil society organs.

## 2.17 BACK TO BASICS

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On 18 September 2014 President Jacob Zuma convened the second Presidential Local Government summit at the Gallagher Convention Centre Midrand Johannesburg. The theme of the Summit was “Back to Basics” Serving Our Communities Better.

The summit was convened to provide an intergovernmental platform for the Minister of Cooperative Governance and Traditional Affairs, Mr P Gordhan (the Minister) to introduce government and stakeholders to the “Back to Basics” approach for Local Government.

The impetus for the Summit was the imperative identified by the Minister to improve the functioning of municipalities to better serve communities by getting the basics right. In this respect government must have a common understanding of where we are where we could be and what needs to be done.

The core document “Back to Basics: Serving Our Communities Better was distributed to all delegates at the summit. This paper acknowledges what has been achieved so far identifies our remaining challenges and proceeds to outline the Back to Basics Programme for change. Key performance standards are also introduced, as well as an articulation of the roles and responsibilities of each sphere of government and the Traditional Leaders in the implementation of the programme.

The Back to Basics document also contains an Appendix with proposed Municipal reporting activities by Mayors, their councils and Municipal administration which are for immediate implementation. It is thus a framework programme for our collective action.

Mr Pravin Gordhan the Minister for Cooperative Governance and Traditional Affairs (CoGTA) delivered a presentation which focused on the Back to Basics approach and Programme of action.

The Key priority the Minister emphasized was the importance of “Getting the Basics Right”. He then introduced the five (5) pillars of “back to basics” approach which are principles for action as below.

- Putting people first
- Delivering basic services
- Good governance
- Sound financial management
- Building capacity

Towards responding to “Getting the Basics Right” and recognize that there are varying levels of performances amongst different categories of municipalities for example with regard to service delivery public participation processes, good governance, financial management and technical capacity the need exist to prioritise the following towards improving municipal performance:



**Priority 1:** For those municipalities in a dysfunctional state the objective is to get them to perform at the very least the basic functions of local government. This will be achieved through the enforcement of current policies and legislation, the systematically managing of their performance and accountability and ensuring that there are consequences for underperformance. Minimum performance requirements include ensuring the proper functioning of council structures and council processes the provision of basic services and the appointment of competent staff these are nonnegotiable;

**Priority 2:** For municipalities who are functional but are not doing enough in critical areas of service a support programme will be developed to progress to a higher path. Here the focus will be on building strong municipal administrative systems and processes and to ensure that administrative positions are filled with competent and committed people whose performance is closely monitored. The oversight system for local government will be improved through creating real time monitoring systems. Measures will be taken to ensure that municipalities engage properly with their communities.

**Priority 3:** Municipalities that are performing well be incentivized by giving them greater flexibility and control over their resources and grants. They will be encouraged to move beyond the basics as they have the potential to transform the local space economy and integrate and densify their communities towards a more advance and sustainable development path.

**Priority 4:** There will be a targeted and vigorous response to corruption and fraud and zero tolerance approach to ensure that these practices are rooted out. Supply chain management practises in municipalities will be closely scrutinized. Where corruption and mismanagement have been identified government will not hesitate to make sure these are decisively dealt with through provisions such as asset forfeiture and civil claims. CoGTHA and its stakeholder's partners will also work to change practices in the private sector and enlist the support of civil society to change the national morality.

Council approved The Back To Basics Action Plan for the municipality on the 25 February 2015.

## **2.18 POWERS AND FUNCTIONS OF KAROO HOOGLAND MUNICIPALITY**

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The Karoo Hoogland Municipality was established in 2000. Karoo Hoogland is a category B municipality as determined in terms of Municipal Structures Act (1998). Karoo Hoogland is a municipality with a Collective Executive System as contemplated in Section 2(a) of the Northern Province Determination of Types of Municipalities Act (2000).

The establishment of the municipality fulfilled the local government transformation process as articulated by the White Paper on Local Government, 1998. The White Paper envisaged the form and nature of new local government structures in the country. The new local government structures are mandated to improve the quality of life of their citizens and resident.



In terms of its category B status the Karoo Hoogland Municipality has been empowered to perform the following functions as bestowed upon it by the Constitution in terms of section 156(1) and the division of powers and functions.

| <b>Municipal Functions/District</b> |  |                 |
|-------------------------------------|--|-----------------|
| <b>Municipal Functions</b>          | <b>Function Applicable To Municipality</b> | <b>District</b> |
| Water Provision                     | ✓  |                 |
| Waste Water (Sanitation)            | ✓  |                 |
| Electricity Provision               | ✓  |                 |
| Waste Management                    | ✓  |                 |
| Housing                             | ✓  |                 |
| Free Basic Services                 | ✓  |                 |
| Road Transport                      | ✓  |                 |
| Waste Water Storm Water Drainage    | ✓  |                 |
| Community Social Services           | ✓  |                 |
| Museums                             | ✓  |                 |
| Cemeteries                          | ✓  |                 |
| Environmental Protection            | ✓  |                 |
| Health                              | ✓  |                 |
| Health Inspections and Abattoir     |  | ✓               |
| Security and Safety                 |  | ✓               |
| Sport and Recreation                | ✓  |                 |
| Disaster Management                 |  | ✓               |

## CHAPTER THREE: CURRENT SITUATION

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In this section an overview is provided of the important socio-economic indicators and trends of the Karoo Hoogland Municipality highlighting issues of concern in terms of challenges that the municipality currently experiences. As a basis of reference the municipality has considered the demographic information that was provided by Stats SA census 2011 and Global Insight.

Karoo Hooogland is situated in the most Southern part of the Northern Cape and falls within the area of jurisdiction of Namaqua District Municipality with its head office located in Springbok. The three main towns in Karoo Hoogland are Williston, Fraserburg and Sutherland which are respectively 499 km, 592 km and 539 km from Springbok.

The Karoo Hoogland Municipality was established in 2000 as category B Municipality as determine in terms of municipal structures act (1998). The Karoo Hoogland Municipality has collective executive system as contemplated in section 2(a) of the Northern Province Determination of types of Municipalities Act (2000).

The Karoo Hoogland is predominantly rural in nature with a high unemployment rate resulting in high poverty levels and is linked with many other places through shared environmental, social and economic systems and structures.

The Karoo Hoogland Municipality is also integral to the provinces of Western Cape Province and has significant development potential in sectors such as agriculture (both horticulture and livestock), tourism and mining (Renewable Energy).

*The Municipal Area is divided into 4 wards.*

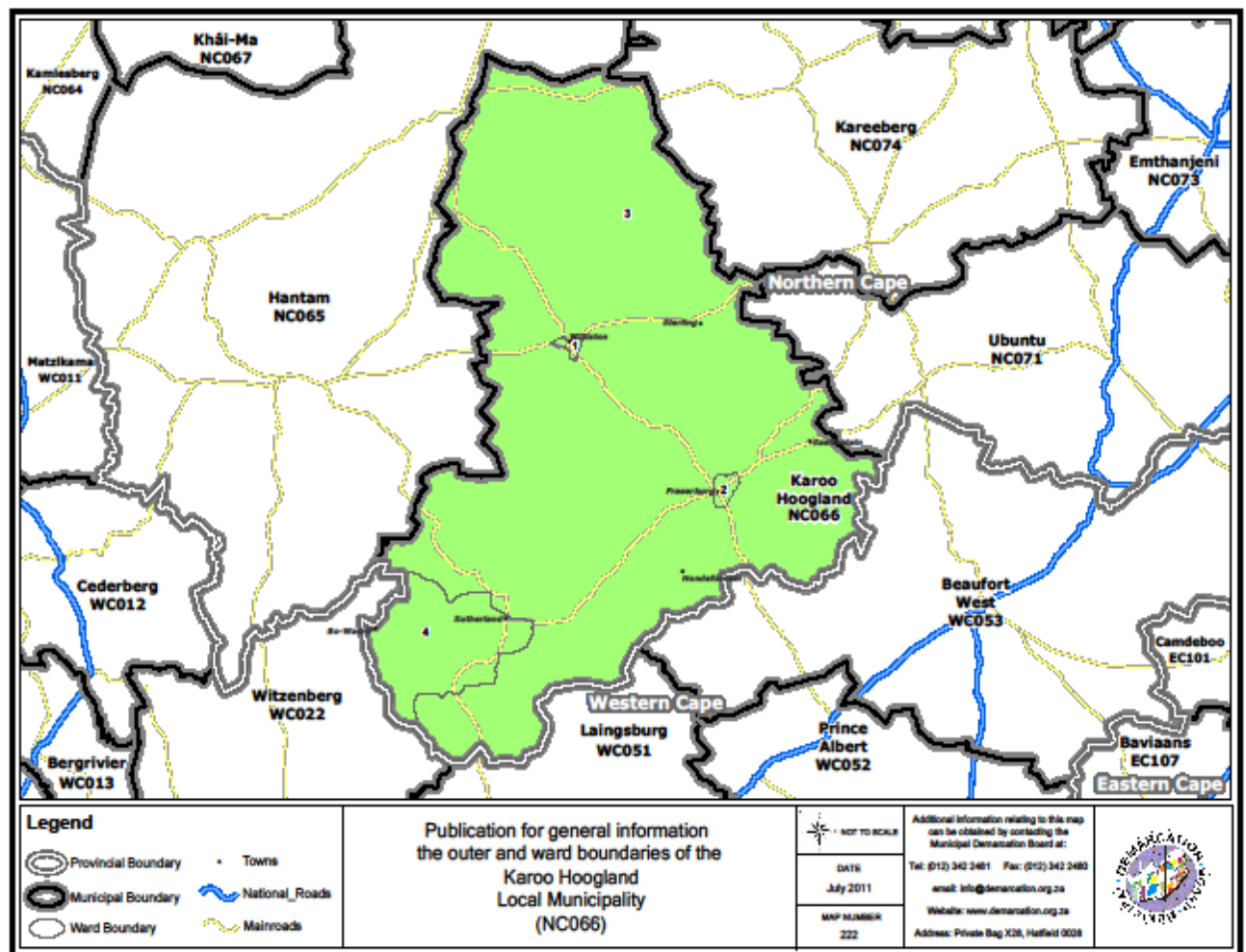
|        |             |
|--------|-------------|
| Ward 1 | Williston   |
| Ward 2 | Fraserburg  |
| Ward 3 | Rural Areas |
| Ward 4 | Sutherland  |

The Municipal Council of Karoo consists of 7 members. Four (4) represents wards and three (3) are proportional representatives of political parties.

**The seven Current councillors represent the following political parties: (2016 – 2021) (Elected on 10 August 2016)**

- |                                |   |      |                 |
|--------------------------------|---|------|-----------------|
| 1. Councillor (Ms) VC Wentzel  | - | ANC  | (Mayor/Speaker) |
| 2. Councillor (Ms) AM Januarie | - | COPE |                 |
| 3. Councillor JE Davids        | - | ANC  |                 |
| 4. Councillor G Klazen         | - | ANC  | Chief Whip      |

- |                                |   |     |
|--------------------------------|---|-----|
| 5. Councillor JJ Van Der Colff | - | DA  |
| 6. Councillor JJ Jacobs        | - | DA  |
| 7. Councillor J Jooste         | - | ANC |



Prioritized areas of potential in the whole Municipality include:

- Tourism, i.e. eco-tourism, agri-tourism and astro-tourism
- Existing infrastructure, i.e. basic services and roads
- Youth i.e. economically, socially
- Apprenticeships & skills development
- Churches and social organizations

## SOCIO ECONOMIC PROFILE

The purpose of this section is to provide an overview of the current socio-economic situation within the Karoo Hoogland Local Municipality. This is done mainly to provide an indication of the overall performance of the Local economic and social characteristics

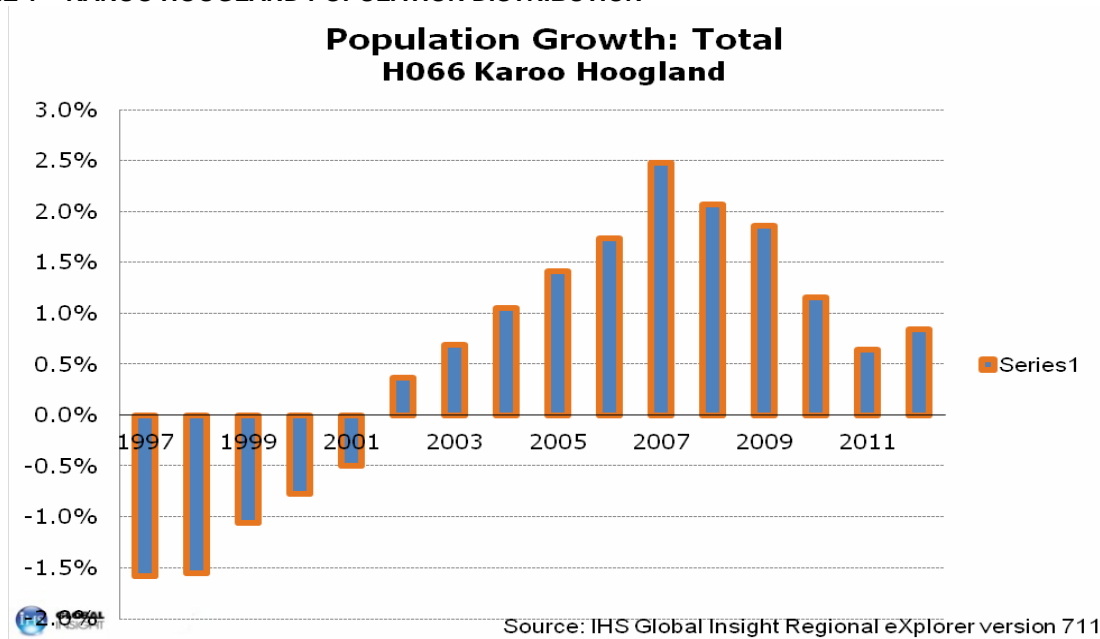
### 3.1 DEMOGRAPHY

### 3.2 POPULATION SIZE AND DISTRIBUTION

The purpose of this section is to provide an overview of the current socio-economic situation within the Karoo Hoogland Local Municipality. This is done mainly to provide an indication of the overall performance of the economic and social characteristics. Although the census data became available in 2012 no detailed analysis were done in the previous year.

The municipality is sparsely populated with a population of **12 588** Karoo Hoogland Municipality is the third highest in the district with a growth 19.75% between 2001 to 2011.

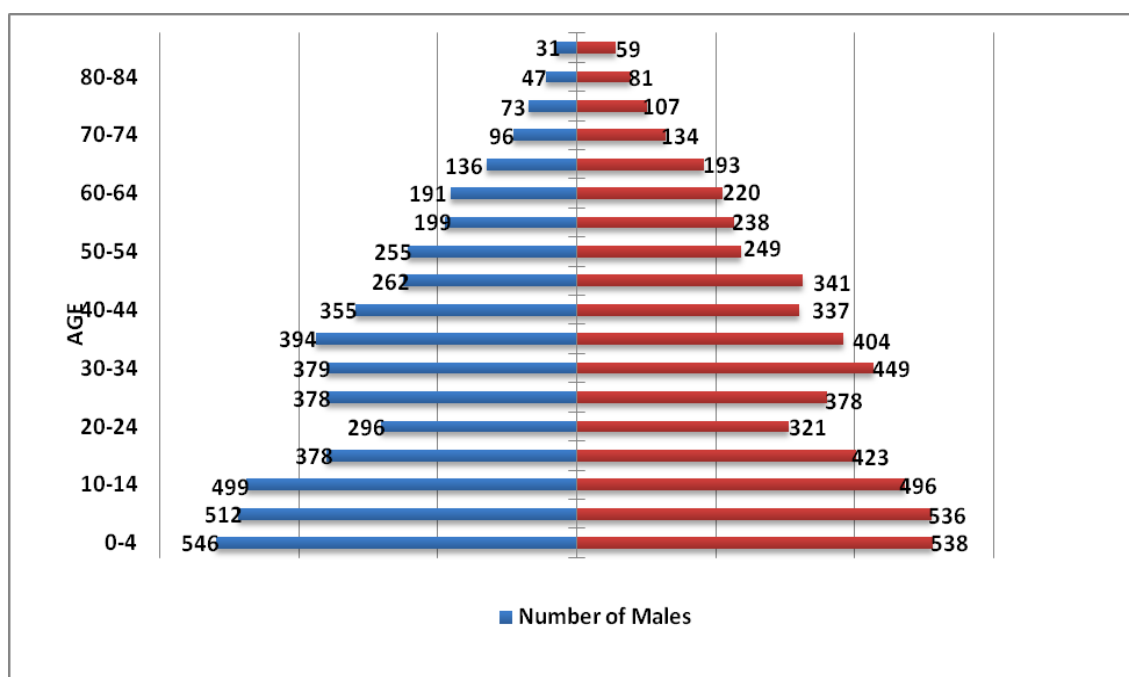
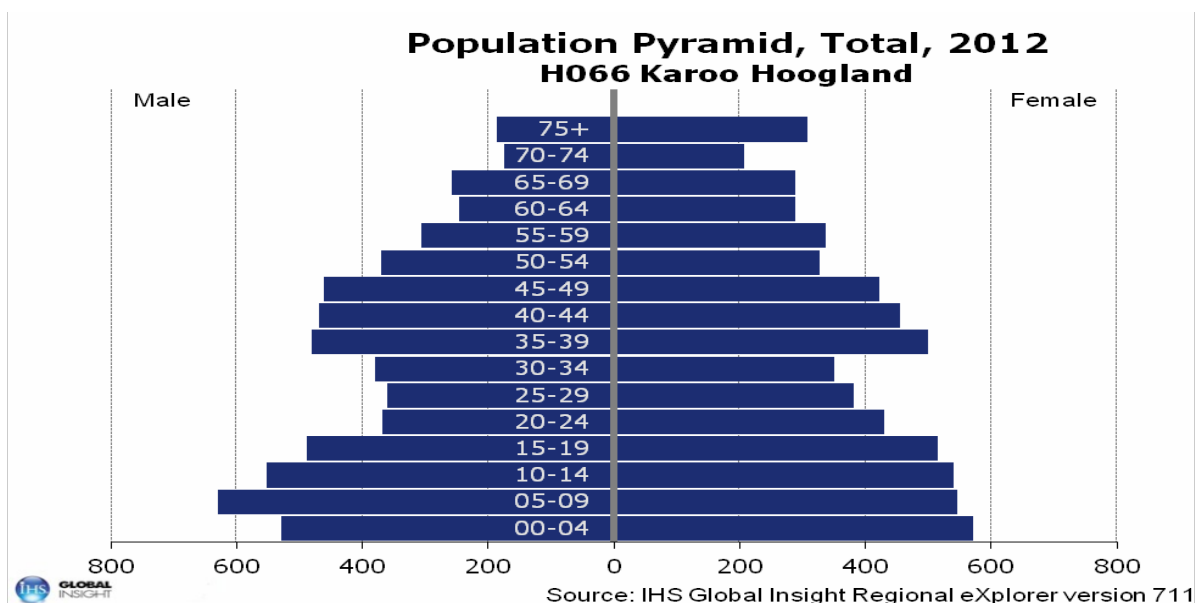
FIGURE 1 – KAROO HOOGLAND POPULATION DISTRIBUTION



### 3.3. AGE AND GENDER COMPOSITION

The age distribution of a population is important because the largest age group inevitably dictates its own demands on the market. Figure 2 and 3 below indicates the age profile of citizens living in the Karoo Hoogland LM.

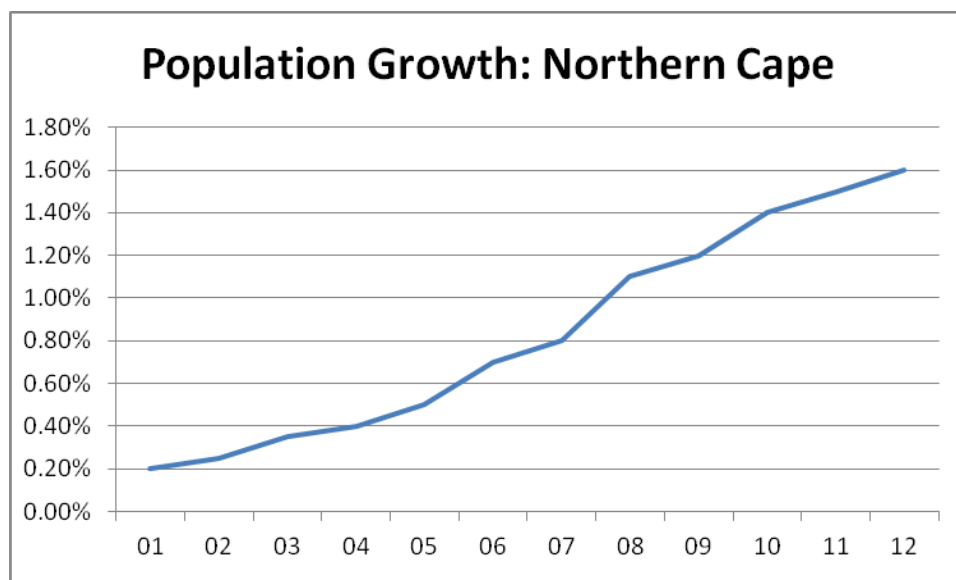
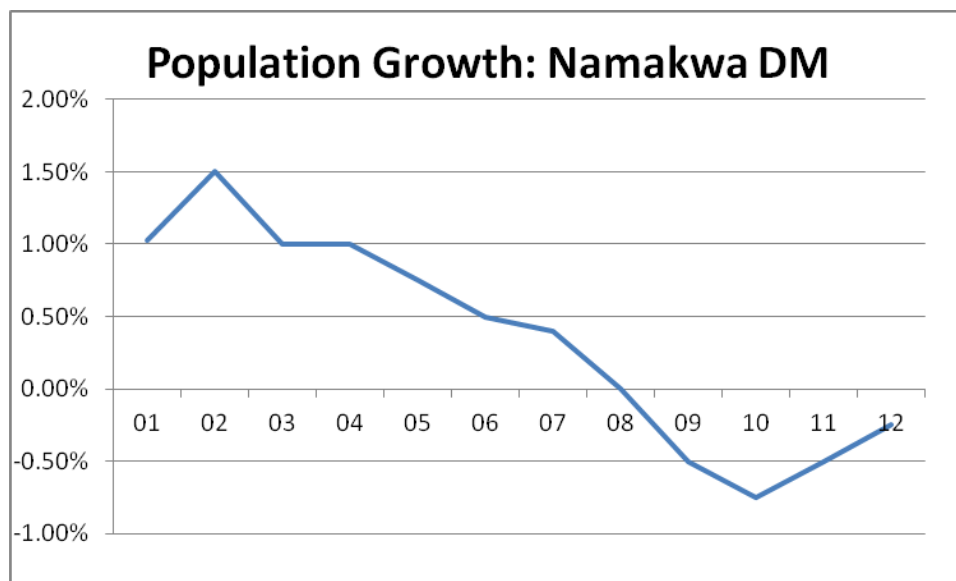
FIGURE 2 and 3 – AGE PROFILE AND POPULATION DISTRIBUTION

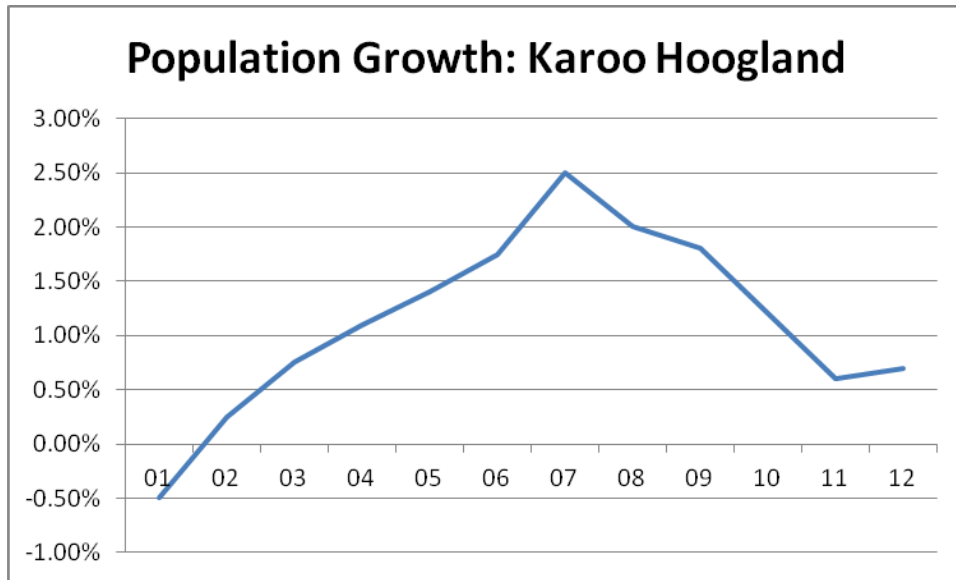


Source: Statistics South Africa 2011

### 3.4 POPULATION GROWTH TREND

Figure 3 to 6 below indicates the population growth levels within the Northern Cape Province, the Namakwa District Municipality, and Karoo Hoogland Local Municipality.

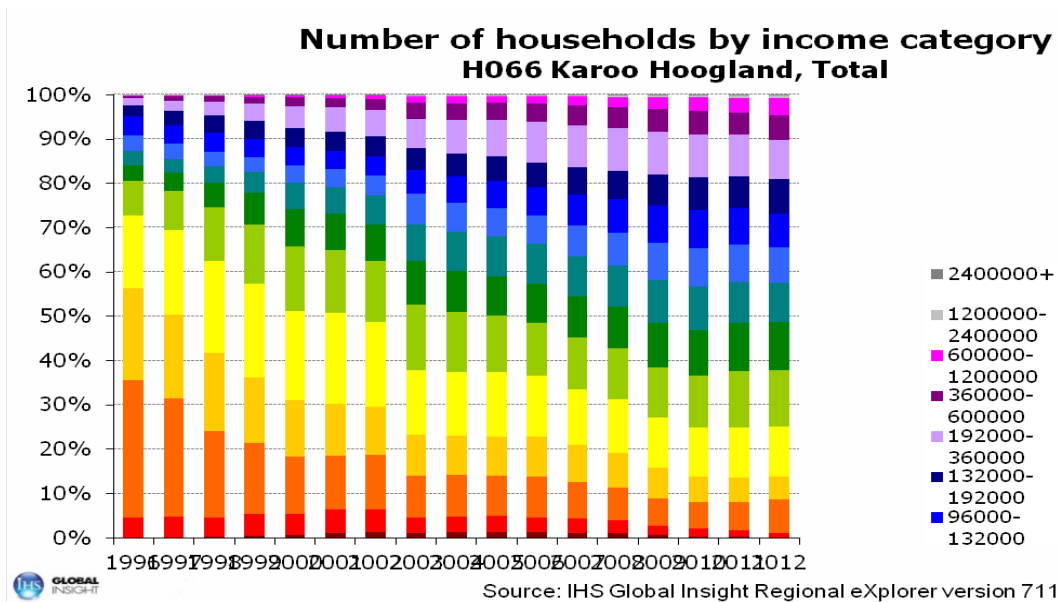


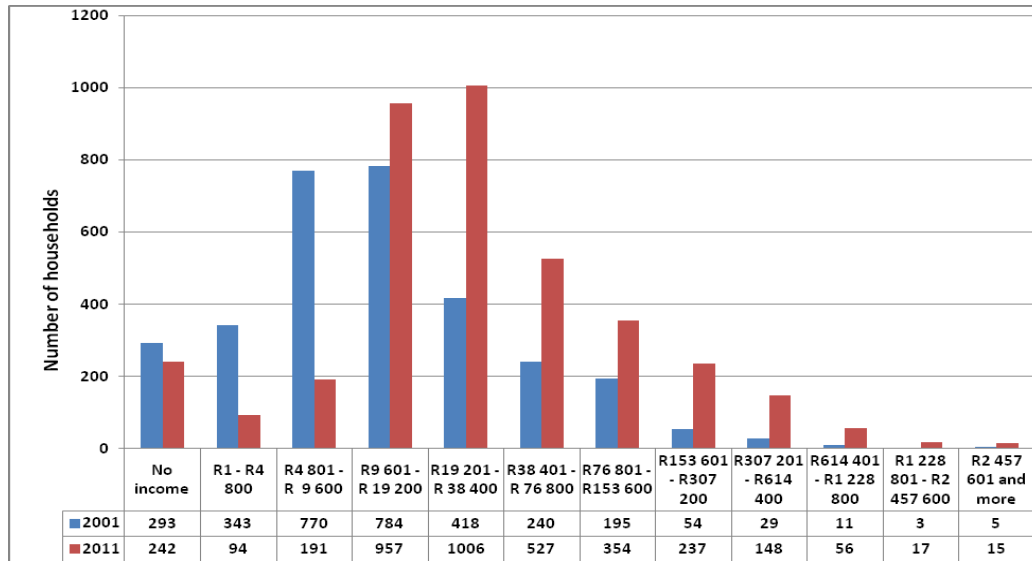


### 3.5 HOUSEHOLD INCOME STRUCTURE

In order to determine the people's living standards as well as their ability to pay for basic services such as water and sanitation, the income levels of the employed population are analyzed. Generally household income levels are one basis for determining poverty levels in a community. Additionally, the income levels of a particular area provide some insight into the economic behaviour of a particular community, i.e. the purchasing power of that community, the potential poverty levels that a community might be experiencing and vulnerability to changes in the economy.

Figure 7 to 8 below indicates income categories

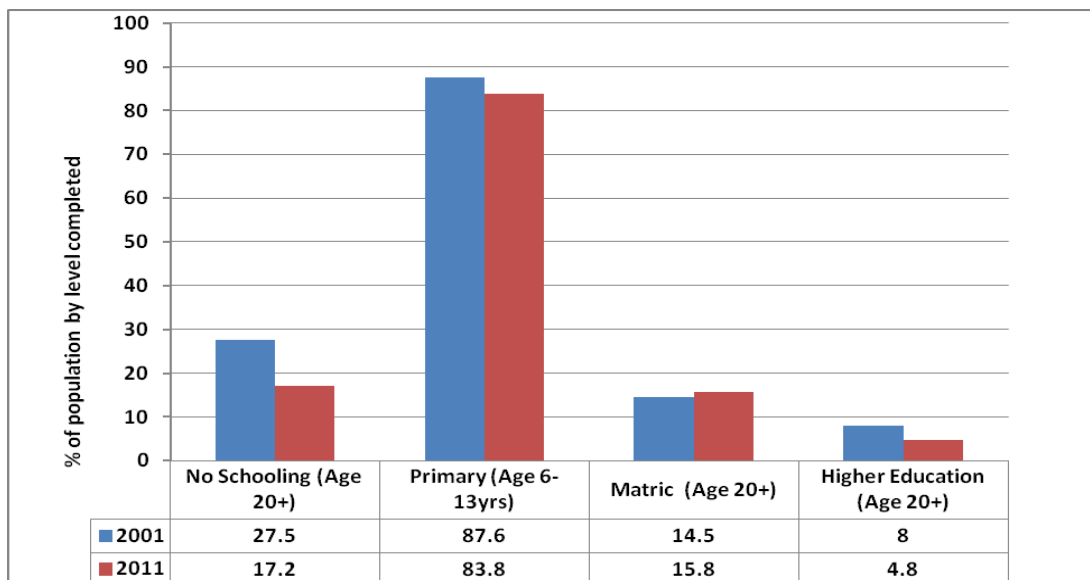




Source: Statistics South Africa 2011

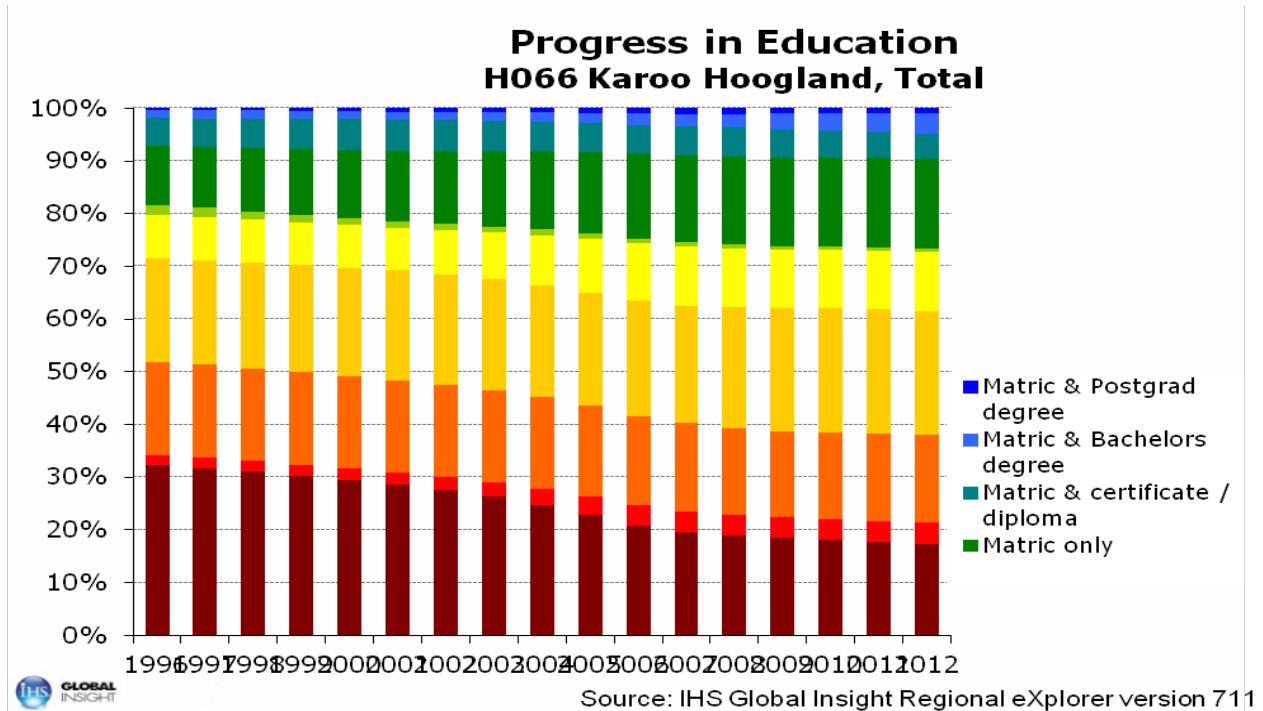
### 3.6 EDUCATION

Education levels in any given market area will influence economic and human development. It is clear that low education levels lead to a low skills base in an area while high education levels have the opposite effect, producing a skilled or highly skilled population. There is also no doubt that household and personal income levels are either positively or adversely affected by education levels. Also, a population that is skilled does not necessarily aspire to employment but to entrepreneurship, which will add businesses to the area, increase economic activity and consequently increase the number of jobs available. **Figure 9 to 10** below indicates education by completed level of schooling and the adult education levels (individuals aged 20 years and over) of citizens residing in the Northern Cape Province, the Namakwa District Municipality, and the Karoo Hoogland Local Municipality.



Source: Statistics South Africa 2011





There is a need for educational facilities, particularly post-matric training as well as accredited tertiary institutions that offer affordable and appropriate qualifications. There is also a need to attract and retain qualified professionals.

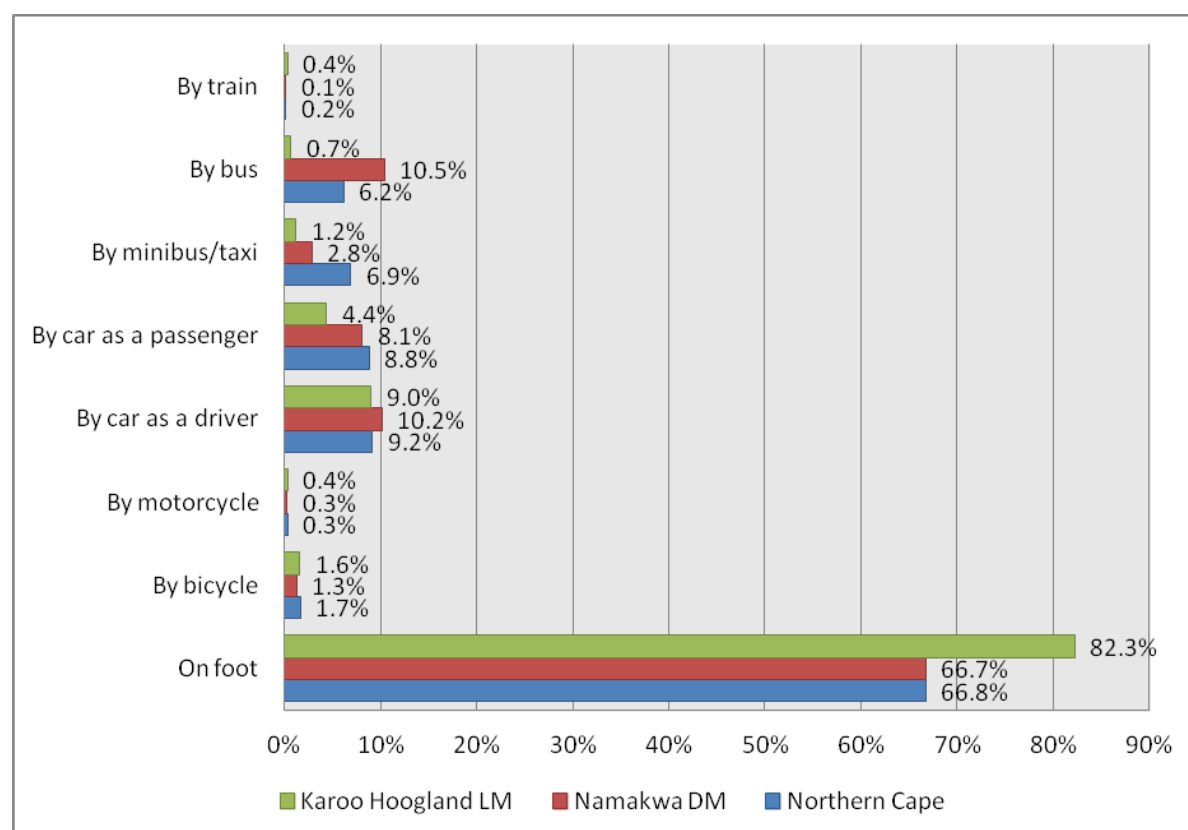
### 3.7 INFRASTRUCTURE

### 3.8 ACCESSIBILITY

The N1 bypasses Karoo Hoogland to the south with a direct link, the R354 tarred surface, linking it to Sutherland. The R63 tarred surface is the connection between Williston, Calvinia and Carnarvon. Approximately 80% of roads within Karoo Hoogland have gravel surface

### 3.9 MODE OF TRANSPORT

The modes of transport in use are a consideration in Local economic development. This is because development projects need to take into consideration the mode of transport utilized by the labour force. New industrial developments should not be situated far away from the pick-up or drop-off points of various means of transportation. However, if the factory or office is far, the employer needs to consider means of transport for the workers from strategic points. The same applies for schools or education and training campuses. **Figure 11** below indicates the mode of transport used by individuals in the Northern Cape Province, the Namakwa District Municipality, and the Karoo Hoogland Local Municipality.



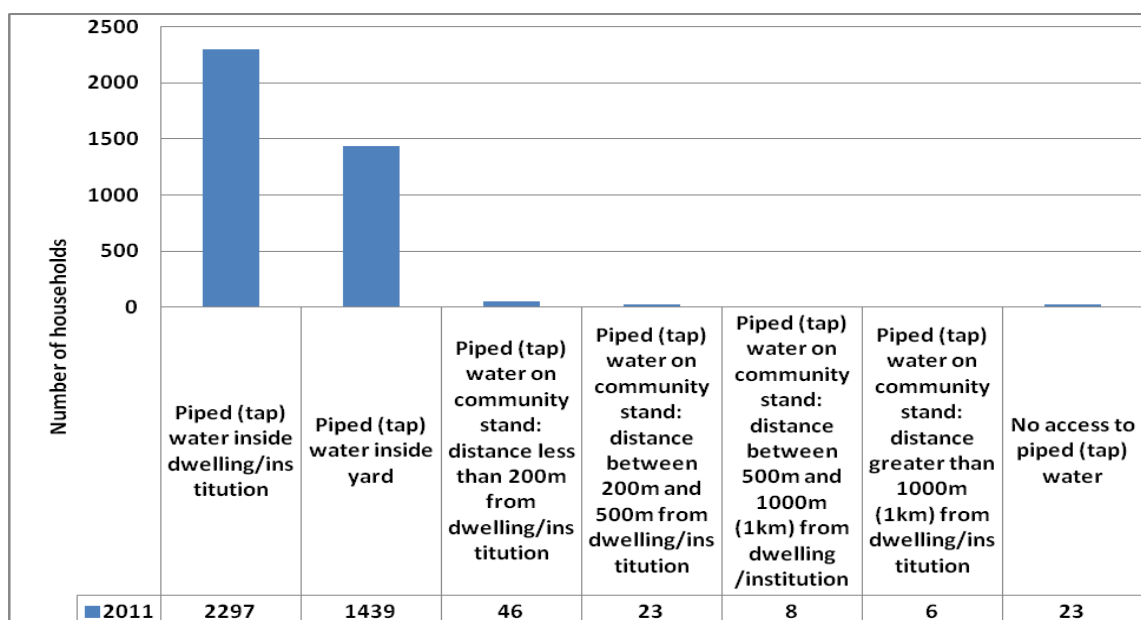
(Source: Quantec Data 2001)

The majority of the Karoo Hoogland LM's population (82.3%) travel to school or to work by foot. Around 6.7% of the Karoo Hoogland population make use of public transport (i.e. the bus, train, taxi, or lifts with other people); while 1.6% make use of bicycles and 9.4% use their own private transport. Donkeys and horses as well as donkey/horse carts are also widely used in the area.

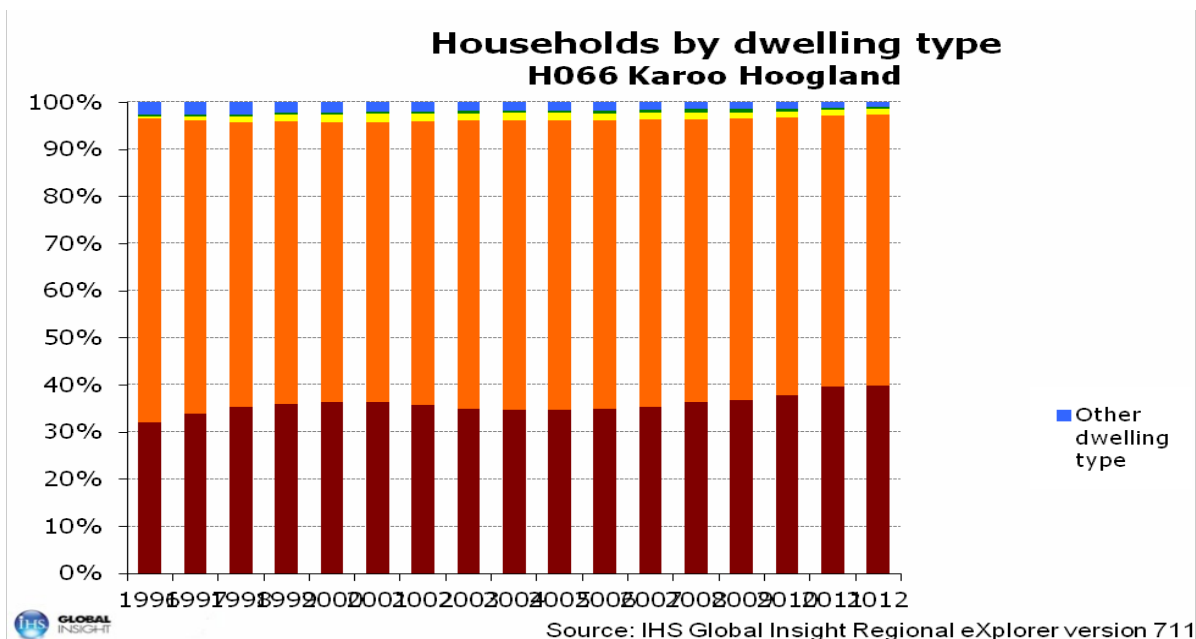
Significant portions of Karoo Hoogland's population are living in small, dispersed settlements and have limited transport capacity to travel the often significant distances between urban centres. As many of these households are also living in poverty, the lack of transport adds to the so-called "poverty trap", as these people are less able to conduct, for example, informal activities to alleviate their circumstances. There is potential to expand this industry, particularly provision of public transport.

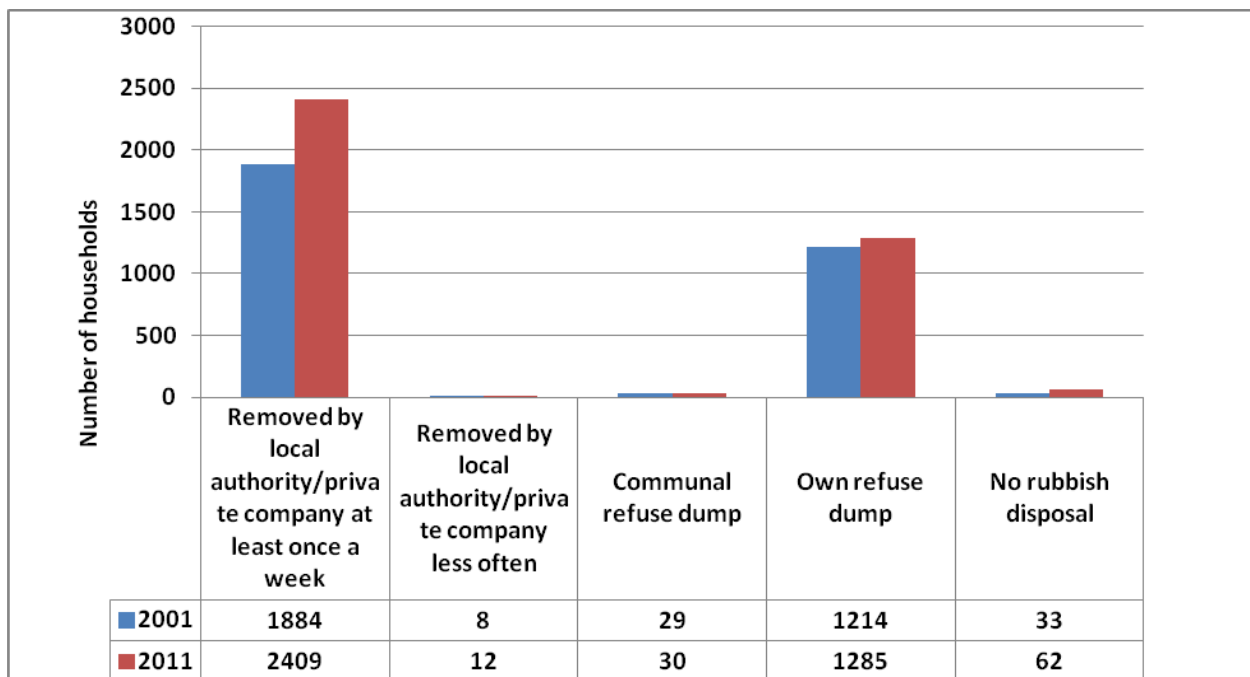
### 3.10 ACCESS TO SERVICES

**Figure 12 to 22** below summarises the service levels of households within Karoo Hoogland LM.

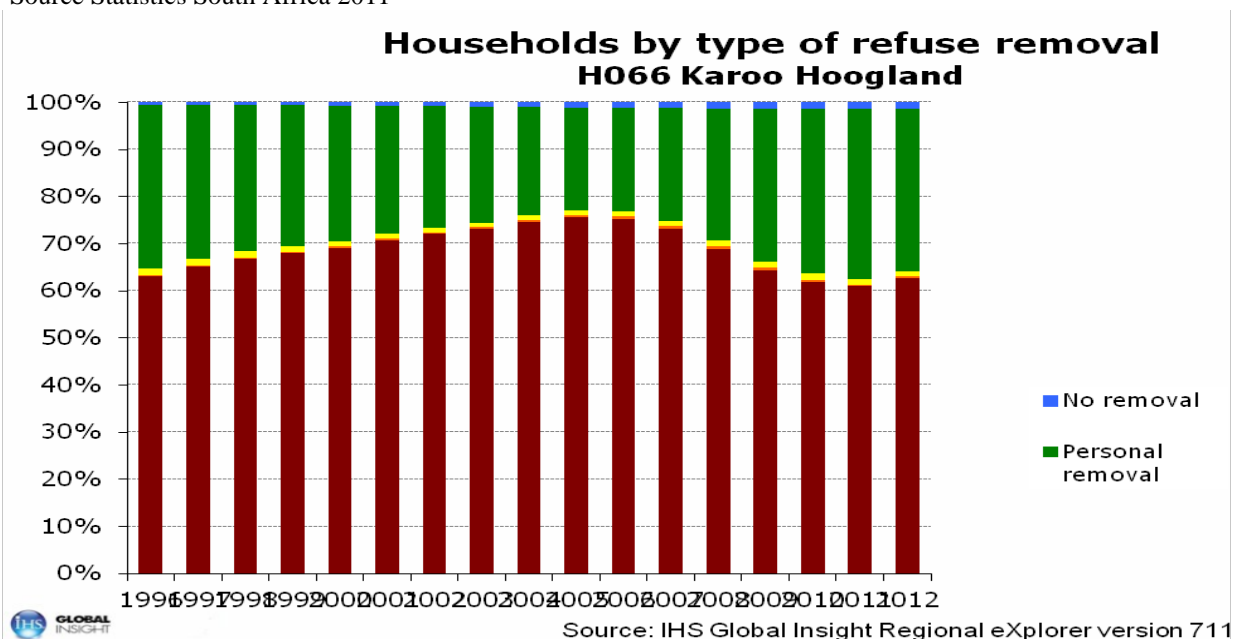


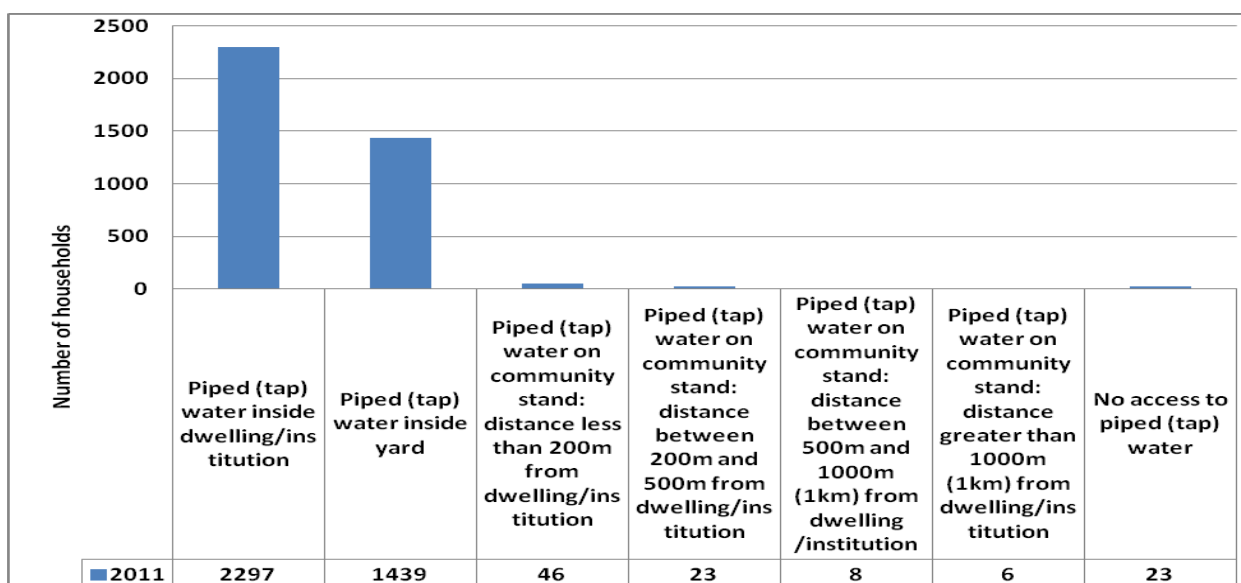
Source Statistics South Africa 2011



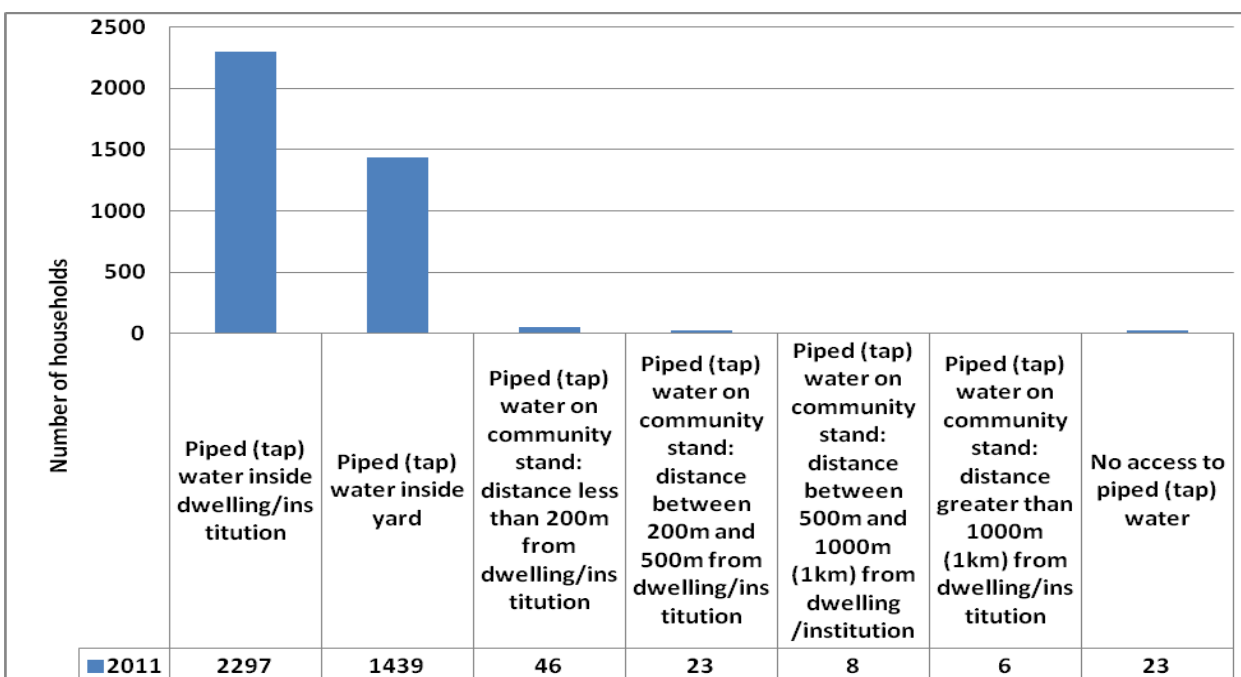


Source Statistics South Africa 2011

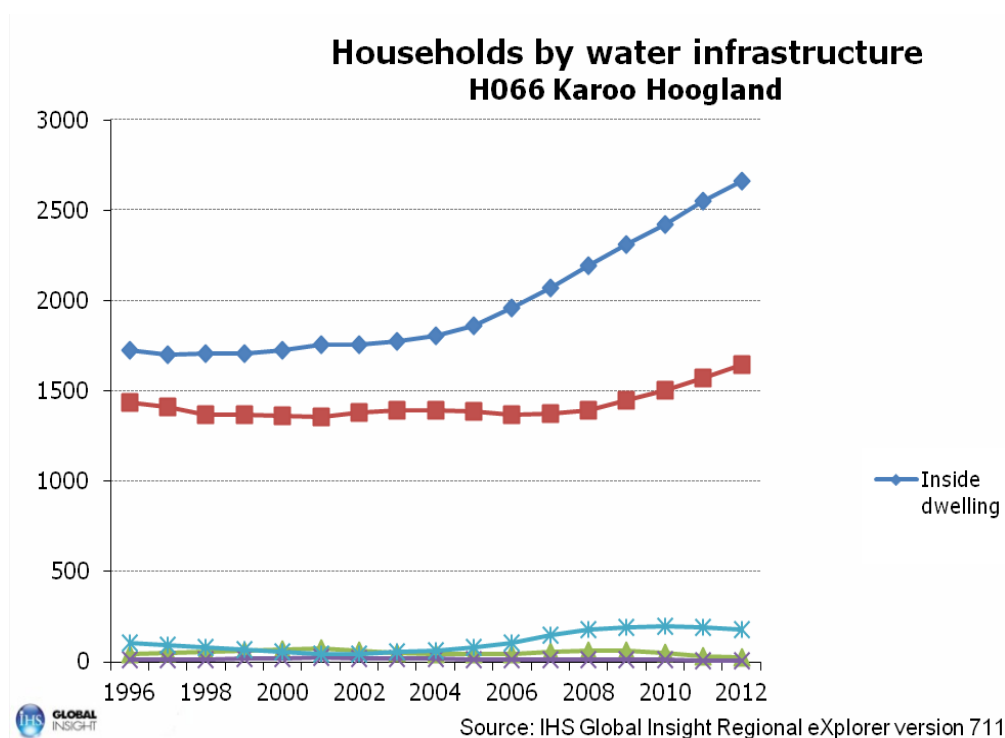
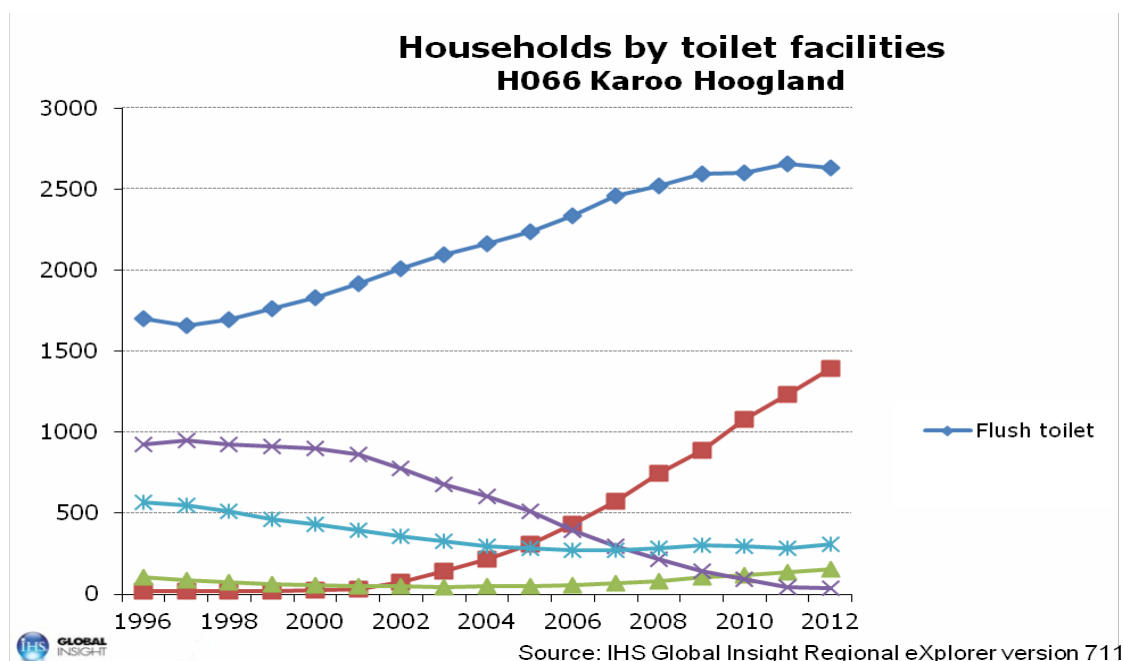


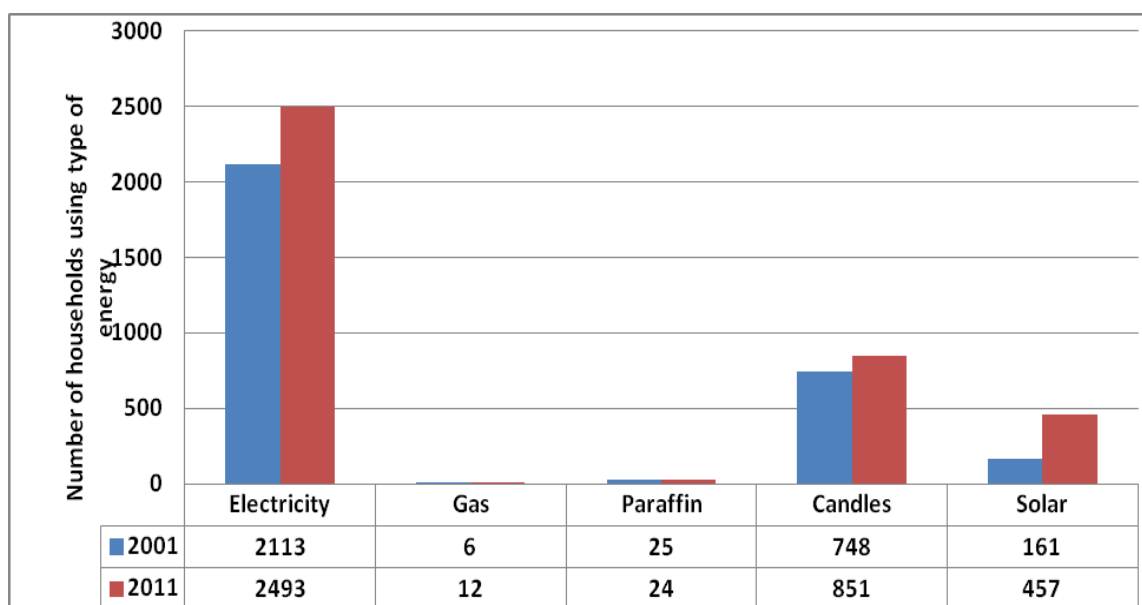
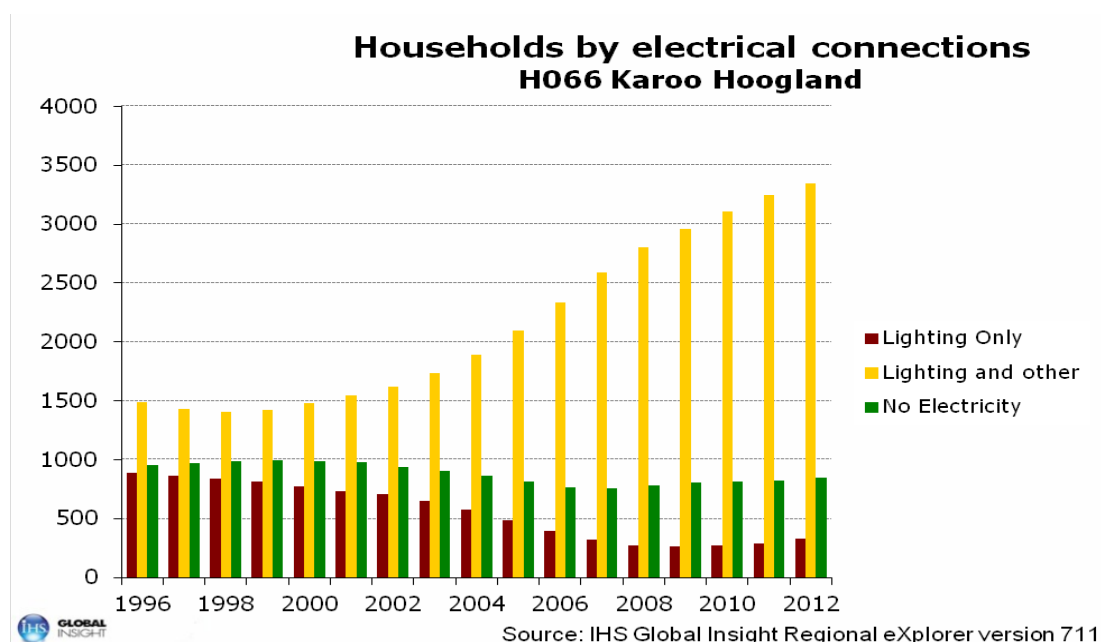


Source Statistics South Africa 2011

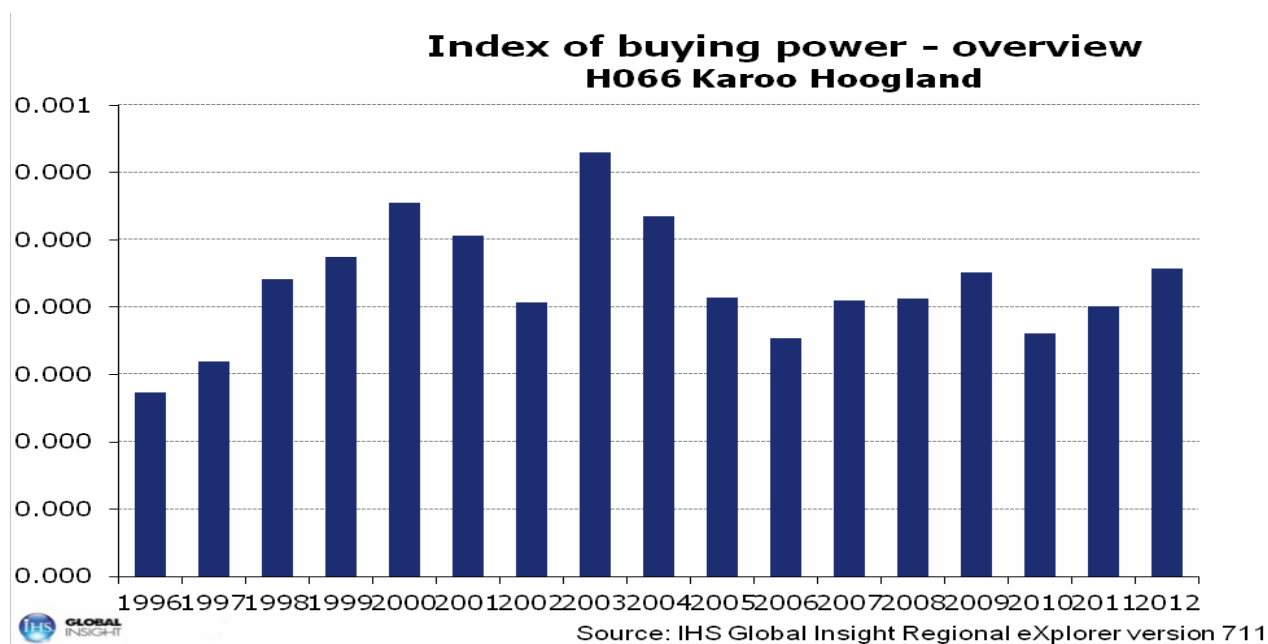


Source Statistics South Africa 2011



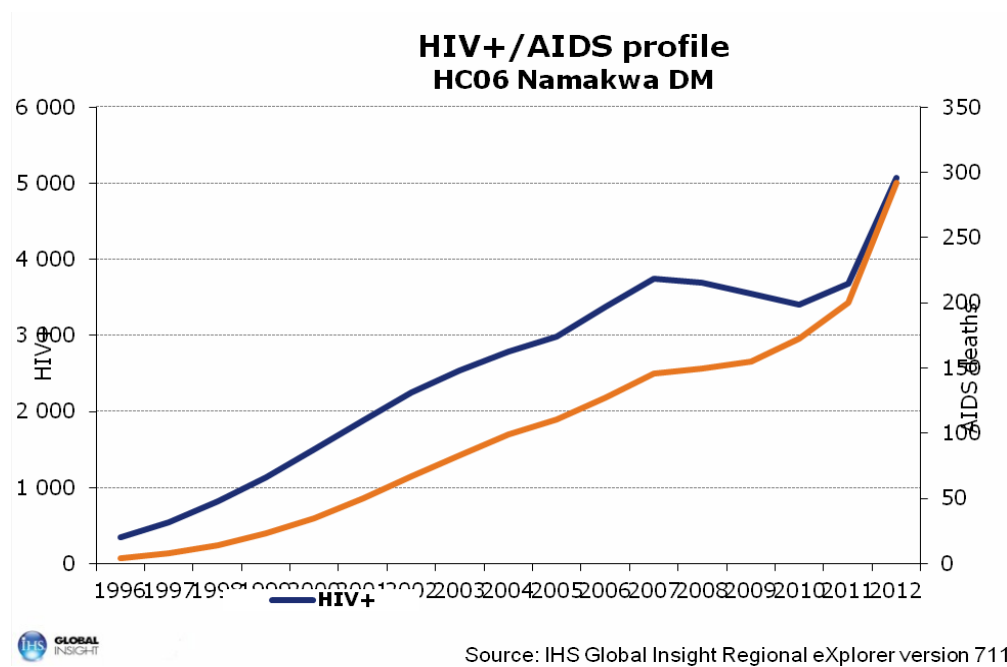


Statistics South Africa 2011

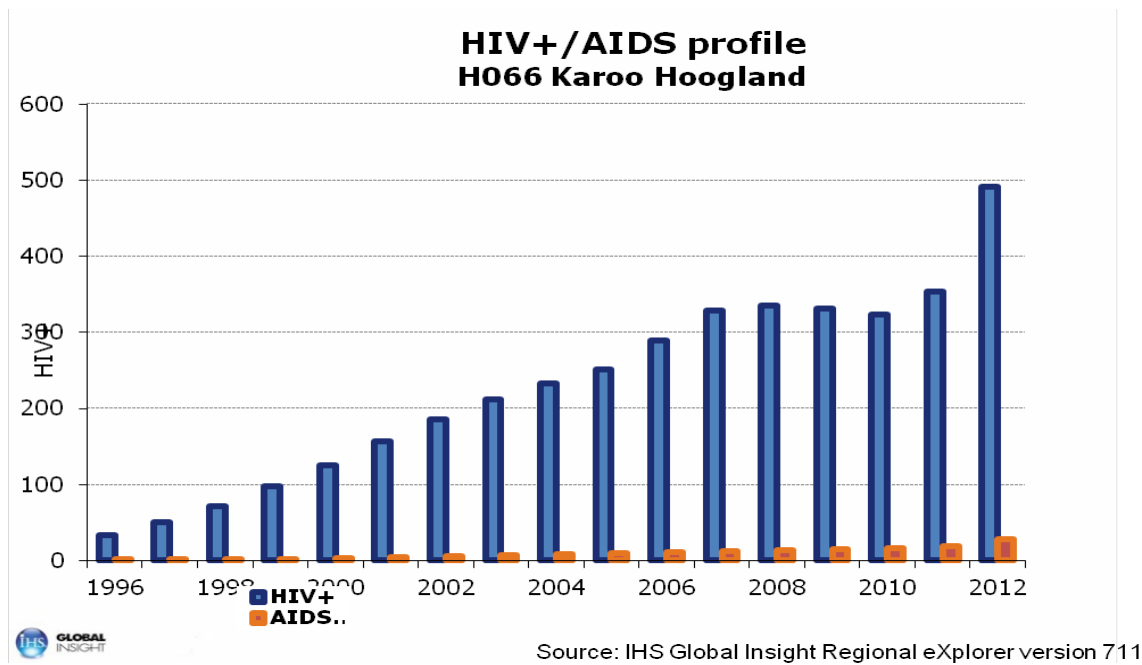


**TAKE NOTE:** Statistical information and data are based on data received by Global Insight and Statistics South Africa more information will be added as required in future.

Figure 20 to 22 below summarises the HIV/AIDS levels within Karoo Hoogland LM.





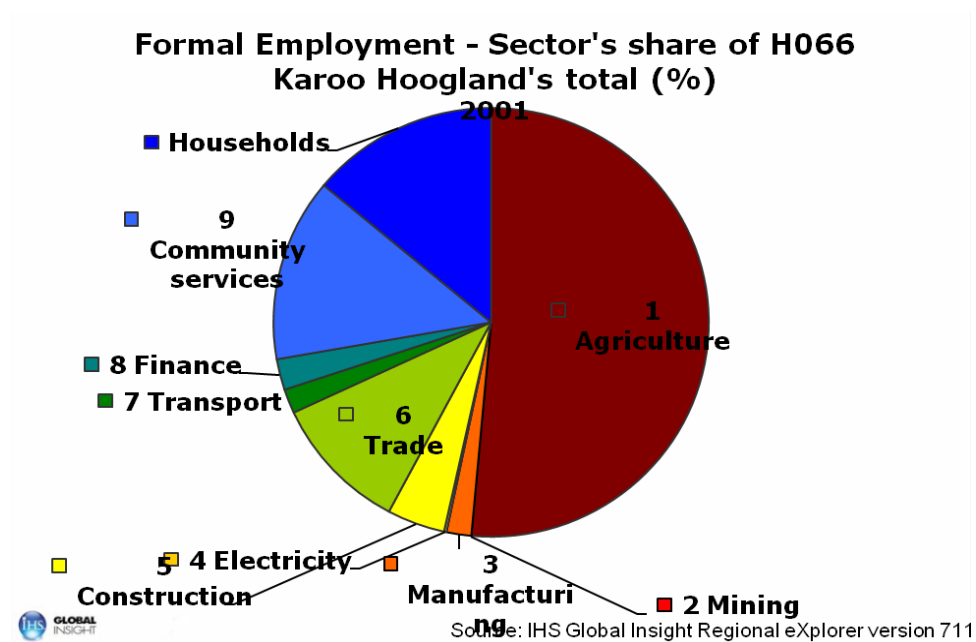
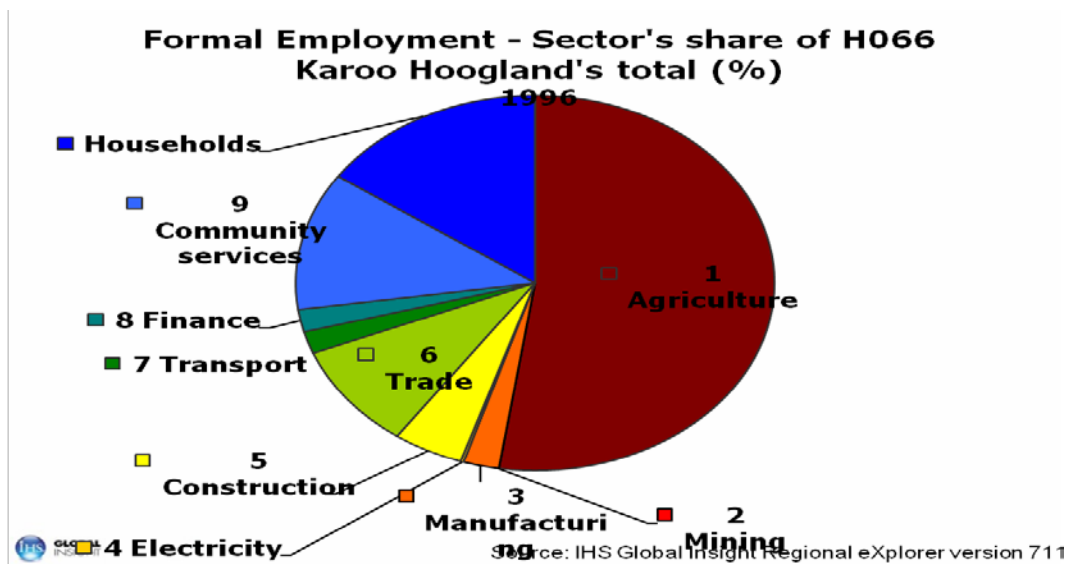


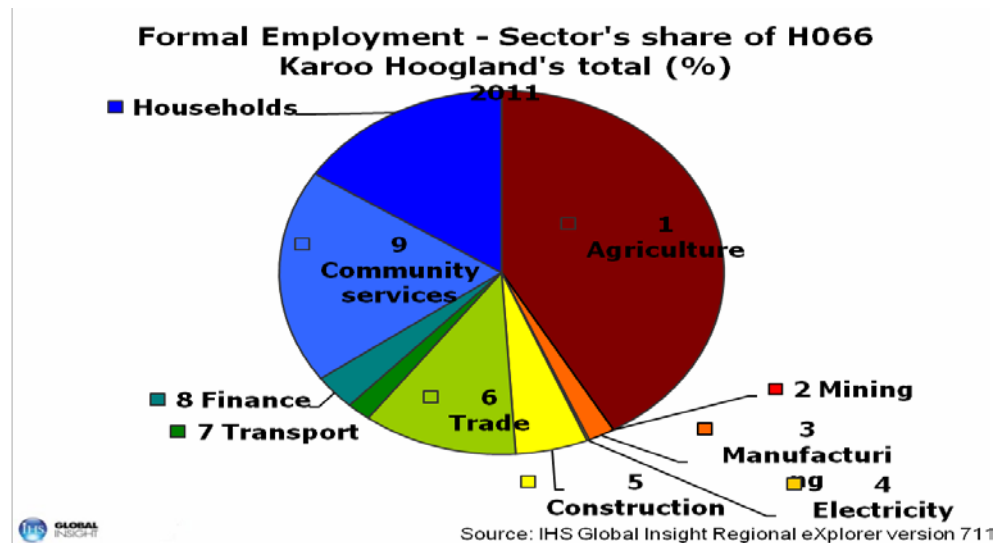
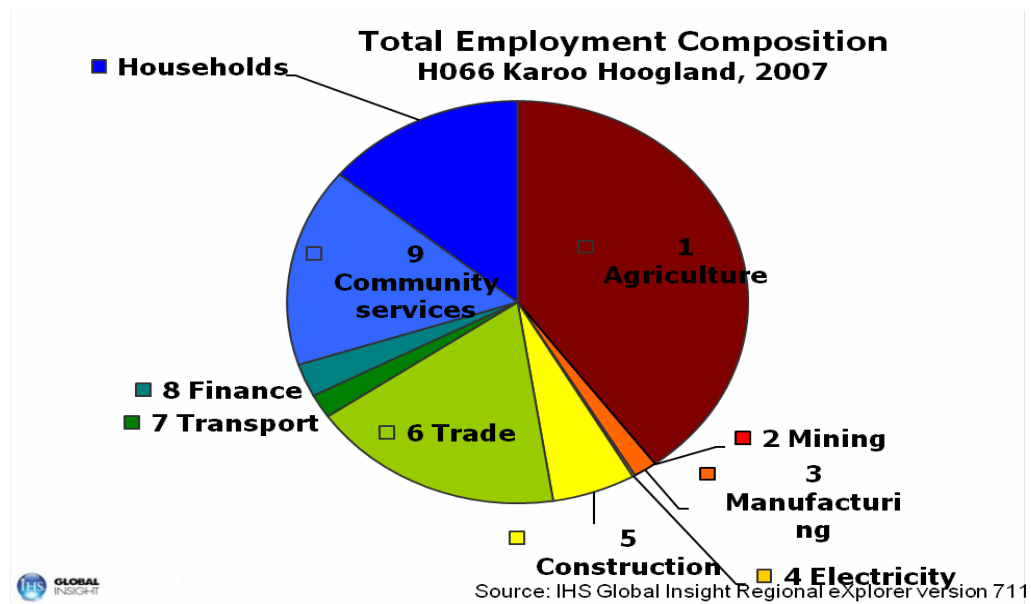
### 3.11 LABOUR AND EMPLOYMENT

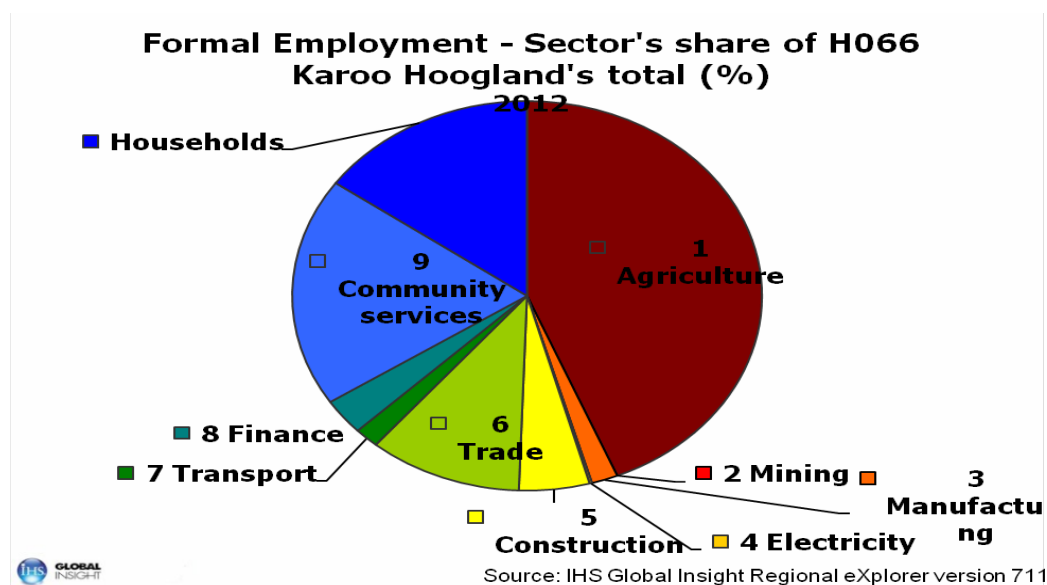
The employment profile of the study area is an important indicator of human development, but also of the level of disposable income and subsequently the expenditure capacity of the residing population.

An **employed** person is a person who works for pay, profit or family gain. Such a person can be an employer, an employee, self-employed or a working family member. According to the (interNational) official or strict definition, the **unemployed** are those people within the economically active population who (a) did not work in the seven days prior to census night, (b) wanted to work and were available to start work within a week of census night, and (c) had taken active steps to look for work or start some form of self-employment in the past four weeks. The **not economically active** population are people who are not working, but are housewives, scholars/full-time students, pensioners, disabled people and people not wishing to work.

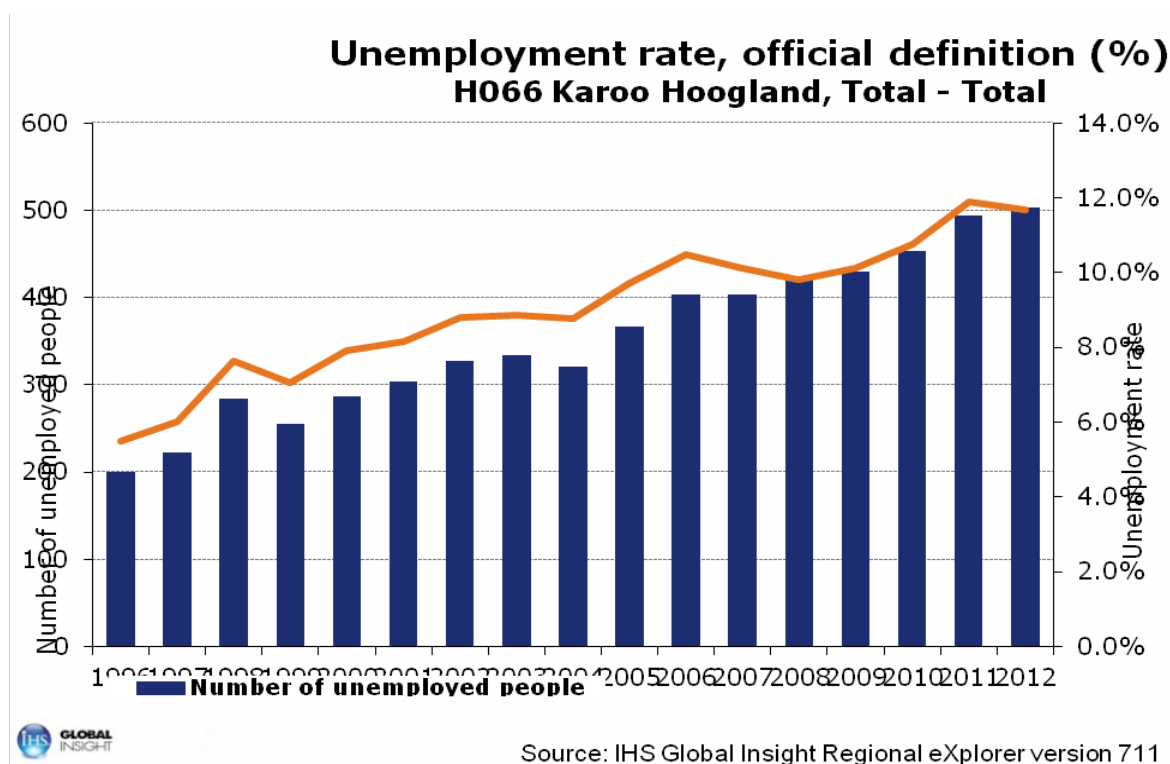
**Figure 22 to 27** below indicates the employment sectors within the Karoo Hoogland Local Municipality.



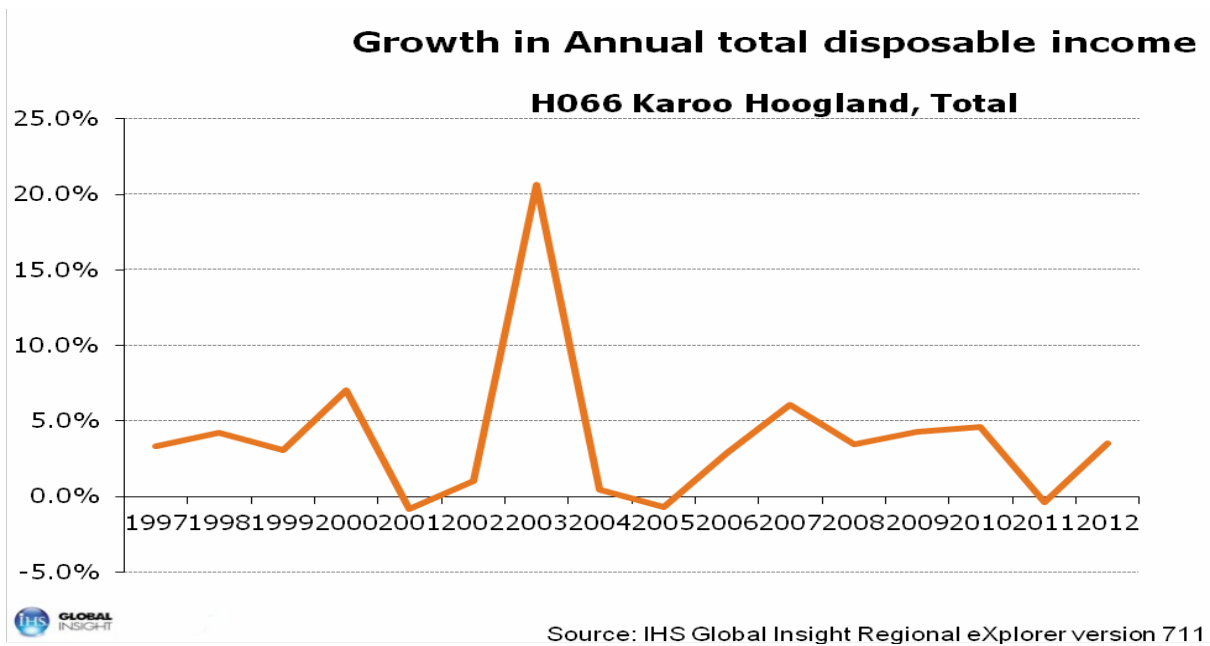




**Figure 28** below indicates the unemployment rate within the Karoo Hoogland Local Municipality.



**Figure 29** below indicates the disposable income sectors within the Karoo Hoogland Local Municipality.



Around 9.2% of the Karoo Hoogland LM's population is highly skilled, while 35.2% are skilled. The most significant portion (55.5%) of Karoo Hoogland's population is semi- and unskilled, which is higher than both the District and Provincial average. The population that are semi- and unskilled would either need job employment in low-skilled sectors, or better education opportunities in order to improve the skills level of the area, and therefore their income levels.

A population with low skills won't be able to improve their incomes and therefore it would be important to implement skills development programmes and job creation in higher skilled occupations. This is also important in order to leverage the economy from being primary-sector (agriculture) based to being more diversified across primary, secondary and tertiary (more skills intensive) sectors. Also, due to the high percentage of semi- and unskilled citizens professional services have to be "imported" from areas surrounding these areas, resulting in a leakage of expenditure from the Local economy. Technological advances will however, in the near future reduce the need for unskilled and low skilled workers, but rather increase the need for a skilled and semi-skilled force workforce. The low skills levels of the population are cause for concern.

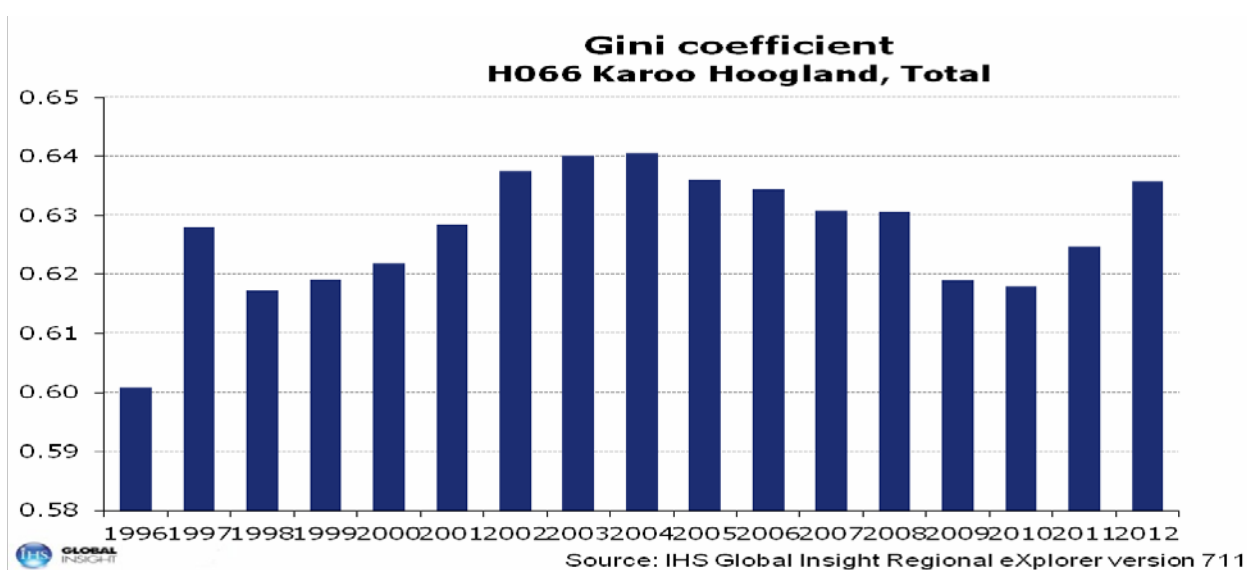
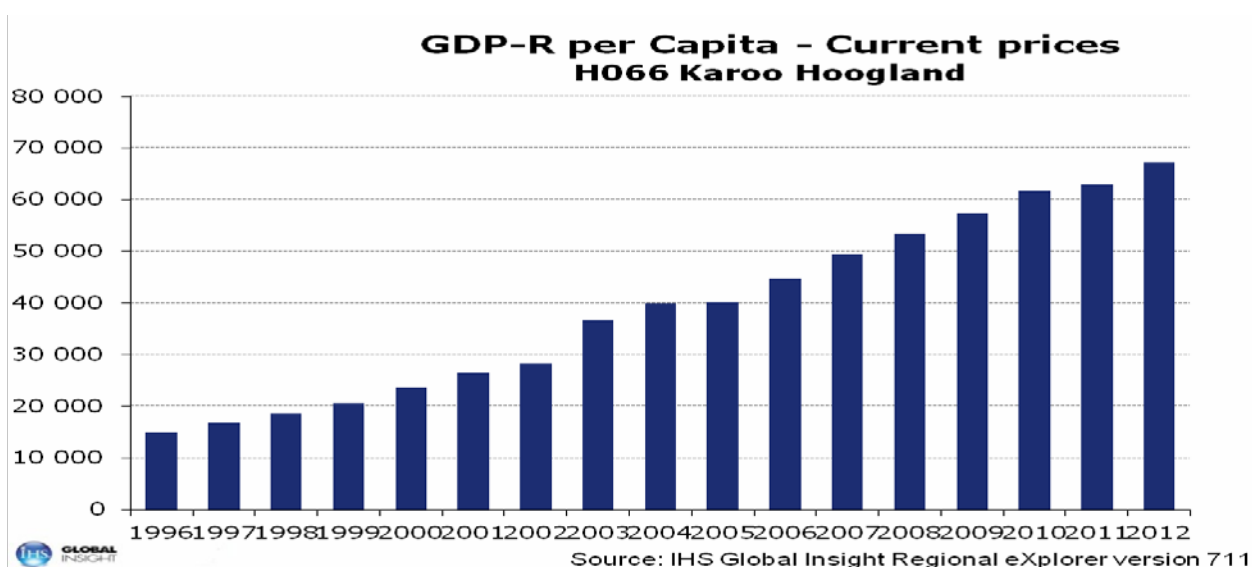
### 3.12 ECONOMIC STRUCTURE AND PERFORMANCE

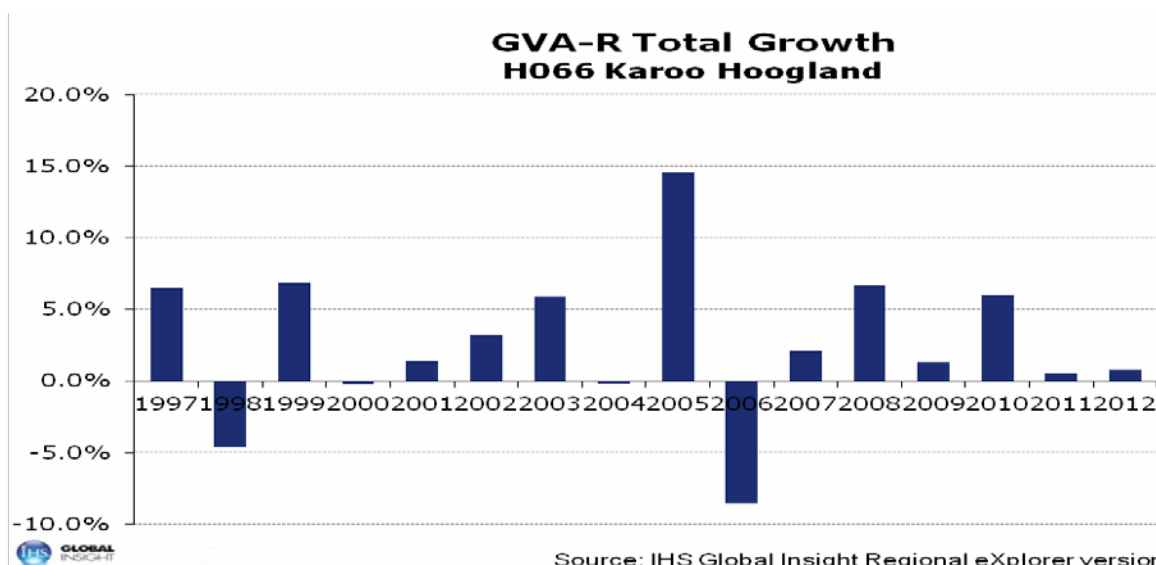
#### 3.12.1 ECONOMIC PRODUCTION

Gross Domestic Product (GDP) comprises the value of all final goods and services, produced during a year, within the boundaries of a specific region and is commonly used to measure the level of economic activity in a specific area. For analytical purposes, GDP is utilised as an important indicator of economic activity. Generally, if the economy as a whole is performing well, demand for residential and commercial property can be expected to increase, and vice versa.

GVA (Gross Value Added) is linked as a measurement to GDP. The relationship is defined as: **GDP = GVA + Taxes – Subsidies**. As the total aggregates of taxes on products and subsidies on products are only available at whole economy level, GVA is used for measuring Gross Regional Domestic Product and other measures of the output of entities smaller than a whole economy. GVA (Gross Value Added) is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

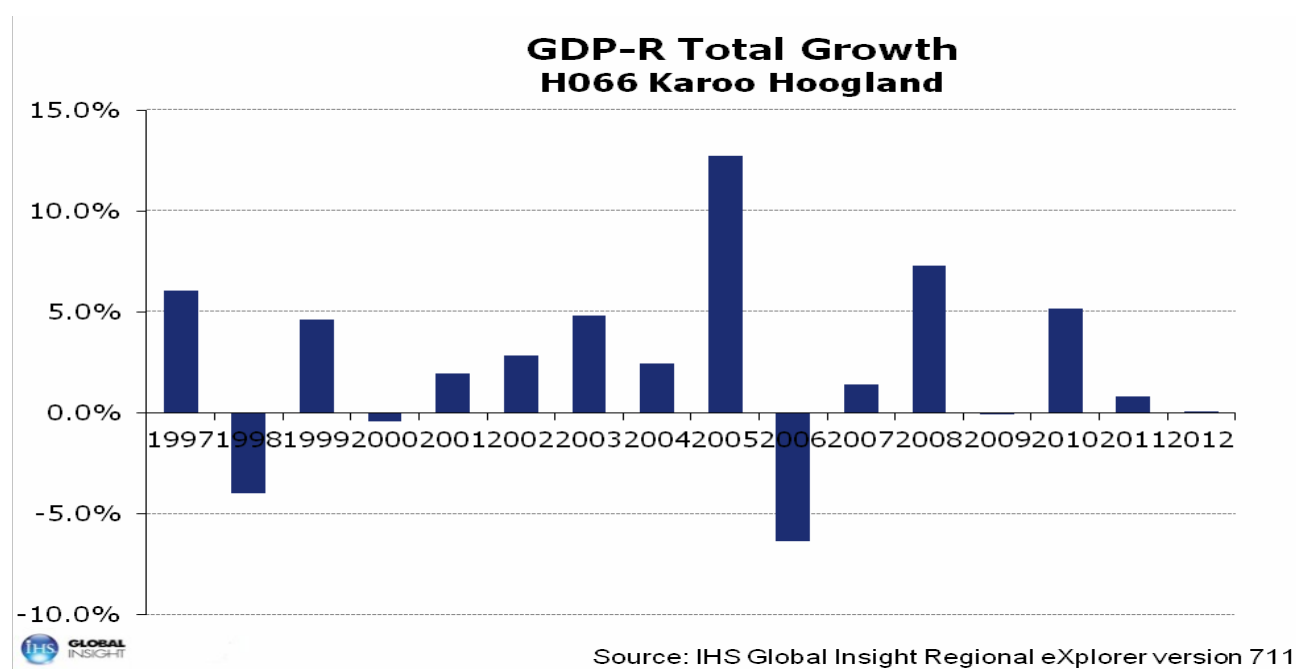
**Figure 30 to 33** below indicates the economic production of the Local Municipalities within the Namakwa District.

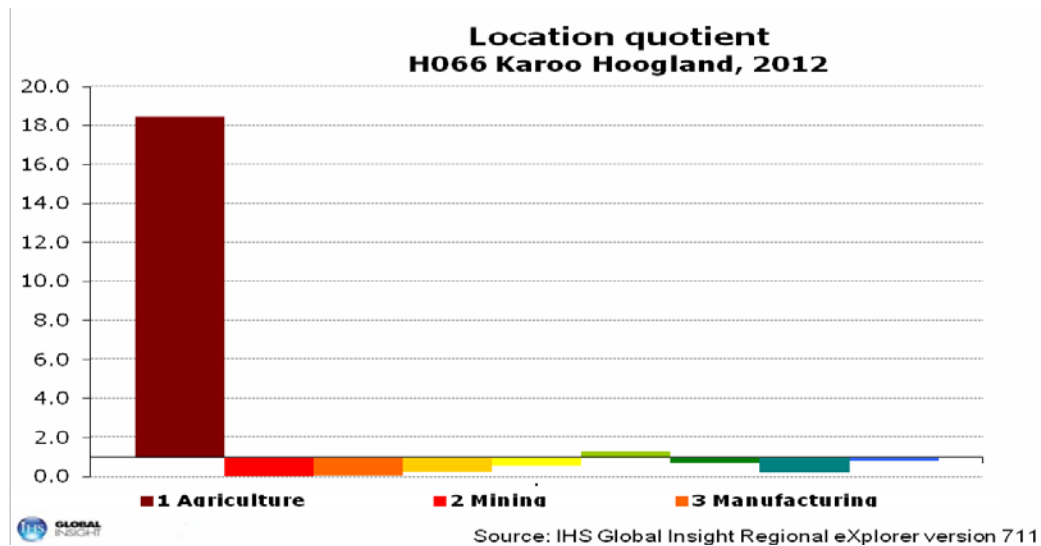




### 3.12.2 SECTORAL COMPOSITION

Figure 35 to 36 below indicates the GDP contribution location quotient and development diamond.





### 3.12.3. COMPARATIVE ADVANTAGE

A comparative advantage indicates a relatively more competitive production function for a product or service in a specific economy (regional or sub-regional) than in the aggregate economy (provincial or National). It therefore measures whether a specific economy produces a product or renders a service more efficiently than another.

One way to measure the comparative advantage of a specific economy is by way of the location quotient. A location quotient as a tool, however, does not take into account external factors such as government policies, investment incentives, and proximity to markets, etc., which can influence the comparative advantage of an area. The Locational Quotient is used to calculate the comparative advantage of the relevant study areas. The location quotient is a calculated ratio between two economies, in this case the metropolitan and Local economies. This ratio is calculated for all industries to determine whether or not the District or Local economy has a greater share or advantage of that industry. If an economy has a location quotient greater than 1, it means that economy enjoys a comparative advantage. The interpretation of the locational quotient is illustrated in **Table 3** below.

**TABLE 3 - LOCATIONAL QUOTIENT INTERPRETATION**

| Locational Quotient | Classification | Interpretation   |
|---------------------|----------------|--|
| Less than 0.75      | Low            | Regional needs are probably not being met by the sector resulting in an import of goods and services in this sector                      |
| 0.75 to 1.24        | Medium         | Most Local needs are being met by the sector. The region will probably be both importing and exporting goods and services in this sector |
| 1.25 to 4.99        | High           | The sector is serving needs beyond the border, exporting goods and services in this  |



| Locational Quotient | Classification | Interpretation  |
|---------------------|----------------|---|
|                     |                | sector to other regions or provinces  |
| More than 5.00      | Very High      | This is indicative of a very high level of Local dependence on the sector, typically in a “single-industry” community |

(Source: Urban-Econ 2010)

**Table** below indicates the sectors where the Karoo Hoogland LM has a comparative advantage in the Namakwa District Municipal area in terms of GDP and employment.

In terms of GDP the Karoo Hoogland LM has a comparative advantage within the Namakwa District Municipality in the following sectors:

1. Manufacturing
2. Agriculture, forestry and fishing
3. Community, social and personal services

And in terms of employment:

1. Manufacturing
2. Agriculture, forestry and fishing
3. Community, social and personal services

### 3.13 SUMMARY AND CONCLUSION

The Karoo Hoogland LM's demographics and access to services can be summarised as follow:

- **Population Growth** – Karoo Hoogland's average population growth rate from 2001 to 2010 is negative (-1.7%). Karoo Hoogland's average population growth rate from 2001 to 2010 was lower than both the District (-0.1%) and Provincial average (0.3%). Karoo Hoogland has a 19.75% growth rate between 2001 to 2011.
- **Dependency** - The Karoo Hoogland population can be regarded as having a high dependency ratio, with 10.6% of the population over the age of 65 and 24.5% are below 15 years. The latter youth group will be demanding education, housing and jobs in the near future. Karoo Hoogland has about 62.3% of the population aged between 15 and 65 years of age! (EAP) Census 2001 the 2<sup>nd</sup> lowest population proportion in the Namakwa district in 2001 after Richtersveld. Census 2011 3<sup>rd</sup> highest population proportion in the Namakwa in 2011, following Nama Khoi and Hantam. The population aged are as follow 27.7% 15 years, 62.3% between 15 and 64 and 10% 65+ years.
- **Household Income** – A more significant portion Karoo Hoogland's households (71.9%) fall within the low income bracket than the District (58.8%). Approximately 4.0% of Karoo Hoogland's households have no monthly income. Income categories will not improve unless the population's skills improve through better education attainment opportunities and job creation in higher skilled economic sectors. The monthly weighted average household income of Karoo Hoogland is slightly higher than the District's average, but lower than the Provincial average.
- **Adult Education** – Karoo Hoogland has a higher portion of adults with no schooling (20.6%) than both the District (5.8%) and the Province (12.2%), indicating a need for skills

development and training. Karoo Hoogland have seen a decreased with the number of people with no schooling and are standing at 17.2%.

- **Housing** –According to standardised regional data (Quantec, 2011), the portion of households resident in informal dwellings in the Karoo Hoogland LM is less than that of the District and Province.
- **Electricity** – In comparison with the Province and District average, household's resident in Karoo Hoogland has less significant access to electricity.
- **Refuse Removal** – The portion of households with access to refuse removal by Local authority within the Karoo Hoogland LM (68.6%) are less than those resident in the Namakwa District (87.1%) and the Northern Cape (72%).
- **Appropriate Sanitation** – According to the Karoo Hoogland SDF (2010) the bucket system has been completely eradicated and all households in Karoo Hoogland have access to sanitation that meet or exceed basic sanitation standards.
- **Piped Water** – The portion of households resident in Karoo Hoogland with access to piped water less than 200 meter from their dwelling is less (88.7%) than the District average (93.8%).

The labour, employment and economic structure of the Karoo Hoogland LM can be summarises as follows:

- **Unemployment rate** – Karoo Hoogland LM's unemployment rate (23.1%) is higher than that of the Namakwa DM (19.3%).
- **Skill Level** – More than half (55.5%) of employed individuals in Karoo Hoogland are classified as semi- and unskilled, showing that skills training is a high priority.
- **Economic Growth** – From 2008 to 2009 Karoo Hoogland experienced a lower economic growth rate (-5.2%) than both the District and the Province (-2.1% and -0.8% respectively). From 2001 to 2009, Karoo Hoogland experienced a negative average annual economic growth rate (-1.8%) which was lower than both the District (1.0%) and Provincial (2.4%) average.

## SECTORAL INSTITUTIONS

### 3.14 DEPARTMENT OF EDUCATION

#### Schools

| Ward | Institution                 | Total | Facilitator | Learners |
|------|-----------------------------|-------|-------------|----------|
| 1.   | H/S Williston               | 1     | 13          | 329      |
|      | Nico Bekker Intermediate    | 1     | 14          | 483      |
|      | Williston Junior College    | 1     |             | 35       |
|      | Hompie Kedompie             | 1     | 2           | 58       |
| 2.   | H/S Fraserburg              | 1     | 14          | 450      |
|      | Malherbe Human Intermediate | 1     | 15          | 440      |
|      | Mona Lisa                   | 1     | 2           | 23       |

|    |                        |   |    |     |
|----|------------------------|---|----|-----|
|    | Juweeltjie             | 1 | 1  | 24  |
| 4. | H/S Sutherland         | 1 | 9  | 174 |
|    | Roggeveld Intermediate | 1 | 14 | 553 |
|    | Sneeuvalokkie          | 1 | 4  | 63  |

### 3.15 DEPARTMENT OF HEALTH

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#### Medical Facilities

| Ward   | Clinics | Mobile Units |
|--|---------|--------------|
| 1.   | 1       | 1            |
| 2.   | 1       | 1            |
| 4.   | 1       | 0            |
| *the rural area of ward 3 is serviced by the mobile units of wards 1 and 2 |         |              |

### 3.16 DEPARTMENT OF POLICE SERVICES

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#### Police Stations

| Community Service Centre | Functional Member | Public Service Members | Reserves |
|--------------------------|-------------------|------------------------|----------|
| Williston                | 23                | 6                      | 4        |
| Fraserburg               | 25                | 8                      | 4        |
| Sutherland               | 20                | 3                      | 1        |

### 3.17 ENVIRONMENTAL & SPATIAL ANALYSIS

### 3.18 NATURAL ENVIRONMENT

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Protecting the Natural Environment is a priority for Karoo Hoogland taking in consideration with specific reference to global warming which contribute to climate change.

Karoo Hoogland is characterized by cool summer and extremely cold winter temperature with temperatures fluctuations that vary from an average low of 3°C to an average high of 20.5°C. In Sutherland, sub zero temperatures are often experienced with frost occurring on an average of 88 nights per year.

Sutherland is situated in the Roggeveld mountain range at a height of 1 450 meters above sea level on the south western escarpment of the inland plateau. At this height

the area is exposed to all the cold air coming from the south-west. Due to the low moisture levels and thin air, heat radiation at night is high. Sutherland is regarded as the coldest place in South Africa.

Rainfall occurs mostly in the summer with between 100-300mm expected per year. (Namakwa Biodiversity Plan, 2008)

#### Average Annual Rainfall

| Average Rainfall (mm) | Area (ha) | %     |
|-----------------------|-----------|-------|
| 0                     | 0         | 0     |
| 100-200               | 2 076 348 | 69.12 |
| 200-300               | 662 380   | 22.05 |
| 300-400               | 254 757   | 8.48  |
| 400-600               | 10 412    | 0.35  |
| TOTAL                 | 3 003 897 | 100   |

DISCLAIMER: In terms of the municipal area (ha), it must be noted that the source data collected from the Municipal Demarcation Board differs from the sourced data provided by the Department of Water Affairs and Forestry.

±70% of Karoo Hoogland has an average annual rainfall of between 100-200mm; ±22% of the areas has an average annual rainfall of between 200-300mm.

## BIODIVERSITY

The purpose of the Karoo Succulent Ecosystem Programme (SKEP) is to provide for the conservation of the biome known as the Succulent Karoo. This biome covers approximately 116 000km<sup>2</sup> and stretches from the south-west to the north-west of South Africa and southern Namibia. It is considered an international biodiversity hotspot, comprising a diverse range of flora, reptiles and invertebrates, many of which are endemic to the region. However, Only 3, 5% of this biome falls under formal conservation areas and there is pressure on the environment from humans in the form of mining, crop agriculture, and ostrich farming. Overgrazing, illegal collection of fauna and flora, and climate change. In response to these threats, the SKEP programme was developed.

One of the outcomes of the programme was the delineation of nine geographic priority areas with the Succulent Karoo biome. The delineation process undertaken was as follows, "These areas were delimited based on agglomerations of high irreplaceability planning units (few components of key ecological processes. Where the priority areas bordered one another the boundaries were defined on the basis of biotic discontinuities, e.g fundamental differences between the biota of the sandy coastal plain compared to the granite Namaqualand uplands. Within each of these geographic priority areas, fine scale conservation planning will be required to guide local land-use planning and decision-making and for reserve design."

These 9 geographic regions are listed as follows:

Bushmanland Insebergs  
Central Breede Valley  
Central Little Karoo  
Central Nanaqualand Coast  
Greater Richtersveld  
Bokkeveld-Hantam-Roggeveld  
Knersvlakte  
Namaqua Uplands  
Spergebiet

A portion of the Karoo Hoogland is covered by the Bokkeveld-Hantam-Roggeveld geographic priority area and must be considered in terms of planning and conservation initiatives.

It is important to ensure that long term environmental sustainability is promoted through the planning process. The biodiversity principle and land use guidelines proposed for Karoo Hoogland in terms of the Namakwa District Biodiversity Sector Plan 2008 are therefore supported with regard to long term sustainable planning.

The Biodiversity Sector Plan, 2008 identifies Critical Biodiversity Areas (CBA's) in terms of the landscape terrestrial and aquatic features that are critical for retaining biodiversity. The categories and recommended land use activities are briefly discussed hereunder.

At present, these are broad advisory statements to guide planners and provide better informed Spatial Development Frameworks and Integrated Development Plans. The situation on the grounds should still be verified by an ecologist before a decision on land use taken.

### **3.19 WATER SOURCES**

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There are no perennial rivers in Karoo Hoogland and groundwater is the main water source. A total of 12 groundwater sources is in Karoo Hoogland with zero surface water. Water is a scarce commodity in Karoo Hoogland and effective water management must be a priority. All three main settlements in Karoo Hoogland have internal reticulation networks. The scarcity of water in South Africa must be addressed at a national level and could be addressed through desalination plants along the coast and a possible lower Orange River

#### **Water Conservation**

A water Conservation and Water Demand Management strategy must be implemented to reduce water losses in all three towns.  
Rain water harvesting can potentially benefit individual household and Municipality by reducing the strain on the existing ground water resources.  
Re-use of effluent from the waste water treatment works must be investigated against the cost and technical requirements.

## **Water bodies**

Dams and rivers that form part of the Water Supply system, or any water resource, should be managed in a sustainable way, especially when development or change in land use is envisaged.

Compliance with the requirements of the Department of Water Affairs, when developing around dams, alongside rivers or when crossing rivers or streams, is a prerequisite.

Proposed watercourses crossing must be placed in areas where the impact on the watercourse will be minimal.

In terms of the National Water Act 1998, no development shall be permitted below the 1:100 year flood line, to be determined by professional engineer.

A 100m buffer for rivers was demarcated for non-perennial rivers due to the absence of flood line calculations.

Wetlands and perched water tables need to be identified and protected from being encroached on by development.

## **HERITAGE**

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National Heritage Resource Act, 1999 (Act 25 of 1999), provides for the establishment of the South African Heritage Resource Agency (SAHRA), and a Provincial Heritage Resource Authority in each province, which replaced the National Monuments Council (NMC). The Northern Cape Heritage Resources Authority is Ngwao Boswa Kapa Bokoni (Heritage Northern Cape), commonly known as Boswa. SAHRA and Boswa are obliged to identify those places that respectively have special national and or provincial significance in terms of heritage assessment criteria. A heritage resource is protected by law from certain actions (alteration, subdivision, and change in land use) without the necessary contents from relevant authority.

In terms of types of protection of heritage resources, the well known category of national monument has been replaced or modified by a category of provincial heritage site for sites of outstanding national importance. The new scope of the act allows members of the public to identify places with qualities that are of special national or provincial significance to be declared national or provincial heritage sites.

In Karoo Hoogland there are several identified heritage sites with one heritage house identified in Sutherland. Fraserburg has a heritage grid in the town which consists largely of heritage houses and Parsonga Church. Williston has in excess of 10 houses identified with heritage characteristics and the bulk of these are the corbelled houses which are unique to this area.

The availability and accessibility of resource (natural or human) determines the potential for economic development of a specific area. The main economic sectors of the Karoo Hoogland Municipality are agriculture and tourism.

The largely rural area of the Karoo Hoogland is characterized by sheep farms and small towns with agriculture forming the backbone of the Karoo Hoogland economy.

With the amalgamation of the three towns of Williston, Fraserburg and Sutherland into one municipal area, a strategy has to be devised to link these towns economically and to ensure an integrated approach in the economic rejuvenation of these towns.

Historically, this area is dominated by farming, in particular sheep farming, with the climate, vegetation and large tracts of grazing land ideally suited to this economic pursuit. Large areas of this municipal area are still dedicated to sheep farming and, as a result, the towns are characterized by limited infrastructure development, low population density and large scale poverty due to limited employment opportunities.

### **3.20 SPATIAL DEVELOPMENT**

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The Municipal Systems Act (Act 32, 2000) obligated all municipalities to prepare an integrated Development Plan (IDP) as the primary and overriding management tool. As an integral component of the IDP the SDF must also adhere to the requirements of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The Local Government Planning and Performance Regulations (2001) stipulate the content of the SDF. In terms of Section 4 of Regulations the SDF is required to.

Give effect to principles contained in Chapter 1 of the Development Facilitation Act, 1995

Set out objectives that reflect desired spatial form of the Municipality

Contain strategies and policies regarding the manner in which to achieve the objectives which must:

Indicate the desired pattern of land use

Indicate the direction of growth

Provide strategic guidance in respect to location and nature of development

Set out basic guidelines for land use management system

Set out a capital investment framework for development programmes

Incorporate a strategic assessment of the environmental impact land within the Municipality

Identify programmes and projects for development of land within the Municipality

Be aligned with neighboring municipal SDF's

Provide visual representation of the desired spatial form which

Must indicate areas in which the intensity of land development could be either increased or reduced

Must indicate desired and undesired utilization of land in an area

Indicate conservation of both the built and natural environment

Must indicate where public private land development and Infrastructure investment should take place

May delineate the urban edge

Must identify where priority spending is required

A copy of the Spatial Development Framework is available at the office of the Municipal Manager.



### 3.21 DISASTER MANAGEMENT

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The Disaster Management Act, Act 57 of 2002, required that, inter alia, the three sphere of government prepare Disaster Plans (Section 39 and 53 of the Act). Karoo Hoogland Municipality adopted a Disaster Management Plan.

The Namakwa District Municipality executed a detailed disaster hazard, vulnerability and risk assessment for its area of jurisdiction, including all six local municipalities.

With this information it become possible to compile a disaster management level two plan. Mainly because the disaster management level 2 plan predominately focuses on the implementation of appropriate disaster risk reduction programmes, which is the main responsibility of the local municipality, these plans have to be aligned the IDP and SDF of each local municipality. Hence, this level 2 plan dealt with information relevant to the Karoo Hoogland Local Municipality (KHEM).

The disaster risk assessment consist out of the disaster hazard, vulnerability and risk assessment and will be discussed next.

During an extensive consultative process with local communities, the potential hazards and risks in the NDM can be summarised in Table. These information has been transferred to appropriate GIS-maps and also be integrated with scientific information to compile appropriate disaster hazard profile maps for each local municipality.

**TABLE 6: HAZARD IDENTIFICATION USING INDIGENOUS KNOWLEDGE**



## NAMAKWA DISTRICT MUNICIPALITY: HAZARD IDENTIFICATION USING INDIGENOUS KNOWLEDGE

| Hazard / Risk                              | Local Municipality |        |            |           |              |         |
|--|--------------------|--------|------------|-----------|--------------|---------|
|  | Karoo Hoogland     | Hantam | Kamiesberg | Nama Khoi | Richtersveld | Khai-Ma |
| Drought                                    |                    |        |            |           |              |         |
| Flood                                      |                    |        |            |           |              |         |
| Wind Storm                                 |                    |        |            |           |              |         |
| Storms & Cyclone                           |                    |        |            |           |              |         |
| Dam Failure                                |                    |        |            |           |              |         |
| Hazmat                                     |                    |        |            |           |              |         |
| Landing Strips: Private Aircraft Accidents |                    |        |            |           |              |         |
| Veld Fire                                  |                    |        |            |           |              |         |
| Structural Fire                            |                    |        |            |           |              |         |
| Snow                                       |                    |        |            |           |              |         |
| Storm water                                |                    |        |            |           |              |         |
| Nuclear Waste                              |                    |        |            |           |              |         |
| Lightning                                  |                    |        |            |           |              |         |
| Soil Erosion                               |                    |        |            |           |              |         |
|  |                    |        |            |           |              |         |
| Vulnerability                              | Karoo Hoogland     | Hantam | Kamiesberg | Nama Khoi | Richtersveld | Khai-Ma |
| Telecommunication                          |                    |        |            |           |              |         |
| Roads                                      |                    |        |            |           |              |         |
| Water                                      |                    |        |            |           |              |         |
| Sanitation                                 |                    |        |            |           |              |         |
| Electricity                                |                    |        |            |           |              |         |
| Human Disease                              |                    |        |            |           |              |         |
| Health Services                            |                    |        |            |           |              |         |
| Agri Disease                               |                    |        |            |           |              |         |
| Abattoir                                   |                    |        |            |           |              |         |
| Poverty                                    |                    |        |            |           |              |         |
| Ambulance Services                         |                    |        |            |           |              |         |
| Mine Activities                            |                    |        |            |           |              |         |
| Open Cast Mines                            |                    |        |            |           |              |         |
| Dumping Sites                              |                    |        |            |           |              |         |
| Shortage of Mortuary                       |                    |        |            |           |              |         |
| Shortage of Old Age Houses                 |                    |        |            |           |              |         |
| Gas Development                            |                    |        |            |           |              |         |
| Rising of Sea Temperatures                 |                    |        |            |           |              |         |
| Sea Rescue Services                        |                    |        |            |           |              |         |

|  |               |
|--|---------------|
|  | High          |
|  | Medium - High |
|  | Medium        |
|  | Medium-Low    |
|  | Low           |

A copy the Disaster Management Plan is available at the office of the Municipal Manager please.

### **3.22 CLIMATE CHANGE**

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#### **Climate**

“Climate change” refers to any change in climate over time, whether due to natural variability or as a result of human activity. Current climate change, often referred to as global warming, is caused by the emission of large amounts of Greenhouse Gases and is a direct result of human industrial activities. The United Nations Framework Convention on Climate Change (UNFCCC) defines climate change as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”

#### **Rainfall**

Rainfall in the Namakwa District is already very variable, and very low compared with the rest of South Africa. There are already noticeable water constraints that impact on the ability of municipalities to deliver water services effectively. Median and worst case scenarios predict a decrease in rainfall for Namakwa’s winter rainfall areas, with average annual rainfall projected to decrease by up to 30% along the west coast by 2100. This drying trend is particularly strong towards the end of the rainy season. Changes in weather patterns in the summer rainfall areas can be expected as a result of climate change and the Namakwa District is likely to experience some combination of the two rainfall impacts. A best case scenario to 2050 indicates there may some early increase in rainfall, followed by drying later as frontal systems shift southwards. There are likely to be more frequent and more intense rainfall related extreme weather events such as droughts and storms. The NDM is already drought prone, and while little change is projected in the immediate future, droughts are expected to increase in frequency and severity by up to 50% towards the end of the century.

#### **Temperature**

The Karoo Hoogland LM is already a hot place, with summer day-time temperatures regularly reaching the high into the 30s Celsius. Climate scientists predict a rise in average temperatures as a result of climate change. A significant trend for increasing temperatures is already shown by weather stations in the Northern Cape tacking temperature data from 1960-2003. Under a relatively unmitigated scenario for future climate change, the Namakwa District can expect a 1-3°C increase in temperature along the coast by 2050, rising to a 3-4°C increase in temperatures by 2100. The interior can expect greater increases in temperature, between 3-6°C increased in temperatures by 2100.

#### **Coastal Processes**

According to the IPCC (2007), sea levels are projected to rise globally by 15 to 95cm by 2100. The coastline may be impacted by 'storm surges' and rising sea levels. The town of Port Nolloth, for example, has been affected by storm surges in the past (most recently in 2009) and may be at risk from the same in the future. Although overall vulnerability to these processes is fairly low due to a steep, rocky coastline evolved in response to historical big swell and wave action, there are nodes of vulnerability around towns, fishing fleets, and estuaries.

### **Impacts Analysis**

A combination of increasing temperatures and reduced and/or more variable rainfall could have severe negative impacts for the Namakwa District. The municipality is characterised by fairly high levels of poverty and inequality, isolated communities, and a large geographical area, which results in a vulnerable population. Large numbers of people, both private and communal, are also directly dependent on agriculture, and therefore on functioning ecosystems and water regimes, for their livelihoods. These are sensitive to climate change. Water quality and availability will likely be the greatest area of impact in the Karoo Hoogland.

### **Conclusion**

Climate change threatens food security, poverty alleviation and sustainable socio-economic growth, core mandates of the municipality. Climate change will impact persons and groups that are already vulnerable. Policy decisions taken in the next decade will largely determine the dimension of the impact of climate change. Ecosystems-based adaptation approaches, using nature and biodiversity to help people cope with and respond to the negative impacts of climate change, will have an important role to play in the Karoo Hoogland.

Local government is in the front line of implementation and service delivery, and thus local government needs to pursue adequate mitigation and adaptation strategies, which should include participation from the public sector, the private sector and NGOs. There is a need for collaboration amongst all stakeholders. It is also necessary that progressive planning and risk assessment must be done to minimize the effects of climate change. In the case of the Karoo Hoogland municipality these risk assessments have already been completed in the Disaster Management Plans for each municipality and the Climate Change Vulnerability Assessment for the District. Planning can include:

☐ **Over the short term:** Disaster risk reduction and disaster relief preparedness, early warning systems for adverse weather, pest and disease occurrence; adequate support for vulnerable groups; equitable disbursement of financial assistance; and the identification and prioritised sustainable management of ecosystems (including agricultural lands) that provide critical ecosystem services such as water retention and flood protection, and their restoration where these are damaged or compromised.

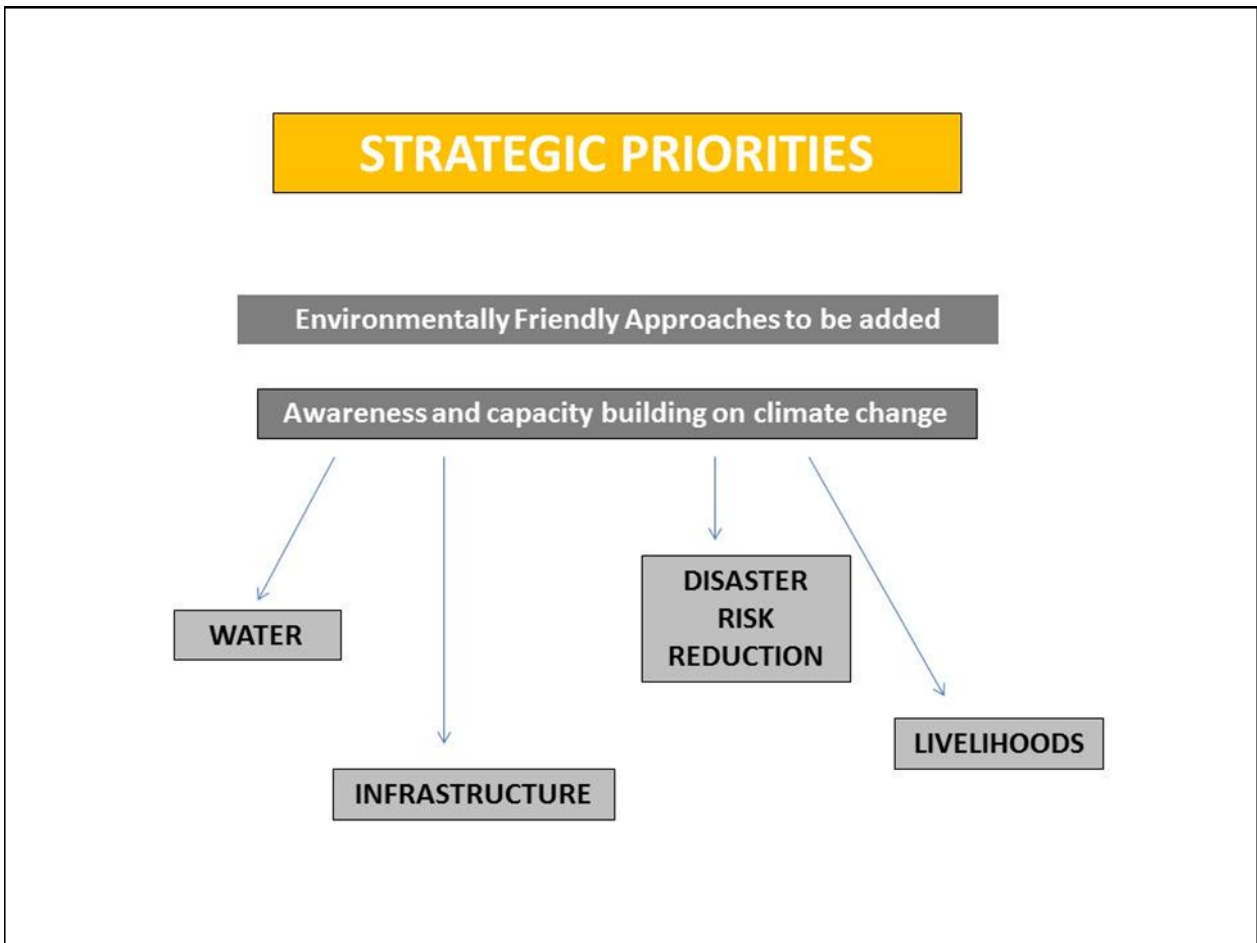
☐ **Over the medium term:** Develop an enhanced understanding of longer term climate variability and change and use this to devise adequate disaster management for affected regions; develop sector-specific strategies to cope with variability as a precursor for adaptation to long term climate trends. This could include working with farmers to test

and adopt best practices for land and nature resource management in order to quantify the benefits and overcome the challenges of adaptation approaches, restoration and maintenance of key ecosystem services (grazing land, rivers, and wetlands).

☐ **Over the long term:** Significant investments in new adaptation tools, technologies and techniques in conserving, rehabilitating and restoring natural ecosystems to continue to improve the ability of people and society to withstand the adverse impacts to climate variability and climate change at all time frames.

While the short term planning needs can be easily addressed in IDP processes, medium and longer term processes should be incorporated into a climate change response plan linked to the Northern Cape Climate Change Response Strategy.

The strategic priority areas for climate response discussed at the workshop are summarised in the figure below and include awareness and capacity building on climate change response, water infrastructure disaster risk management and livelihoods particularly the protection of agricultural livelihoods and the diversification of livelihoods strategies.



## CHAPTER FOUR: STATUS QUO

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### 4.1 OVERVIEW

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Section 153 of the Constitution states that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community; promote the social and economic development of the community; and participate in national and provincial development programmes.

This implies that local government must comply with the national strategic plan that defines the framework for detailed planning and action across all spheres of government. Strategic priority areas identified by national and provincial government will therefore guide the strategic priority areas identified by municipalities for the purpose of:

- ensuring cohesive focus in terms of building a developmental government that is efficient, effective and responsive
- strengthening accountability and striving for accountable and clean government
- accelerating service delivery and supporting the vulnerable
- fostering partnerships, social cohesion and community mobilisation

Within the above framework, municipalities are required to manage its own strategic focus to embrace and reflect the strategic priorities identified by national government. In a proactive step to comply with national requirements, the KAROO Hoogland Municipality has embarked on a strategic planning review process to align its IDP to Provincial and National strategic priority areas. This approach supports full integration between spatial planning, Community needs, strategic development, measurement and budgeting as is required by organisational performance management methodology as well as ultimately sound unqualified governance.

The Performance Management Guidelines for Municipalities of 2001, paragraph 5.1 states that, “The Integrated Development Planning process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. PM fulfils the implementation management, monitoring and evaluation of the IDP process.”

The PM guidelines state the following guidelines regarding the setting of priorities:

Consistent with the event-centred approach in the IDP guide, the IDP should deliver the following products:

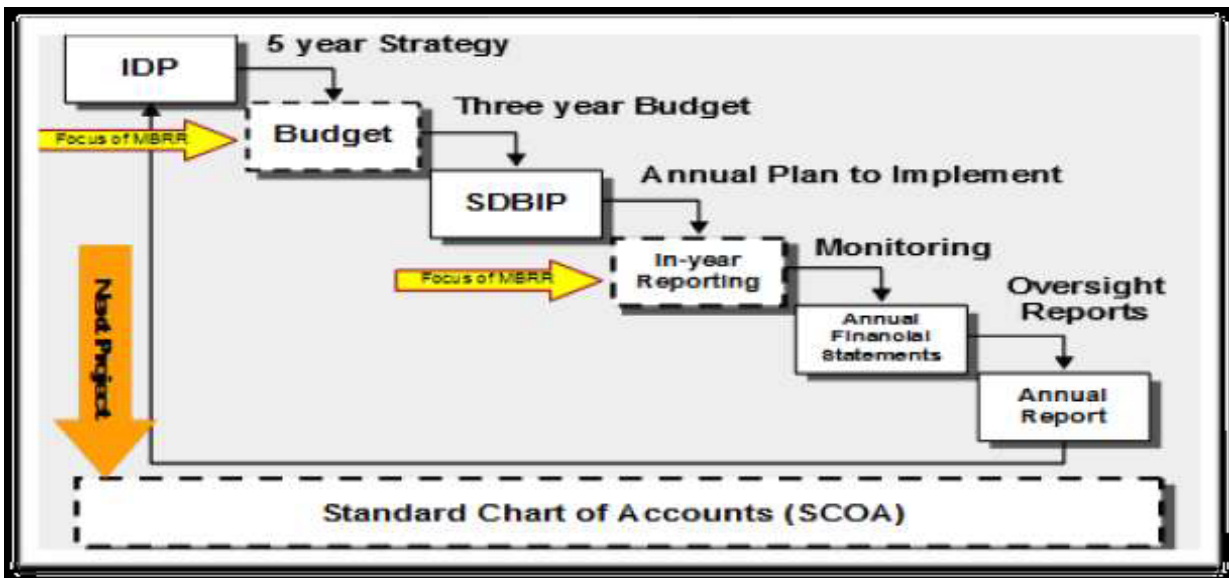
- An assessment of development in the municipal area, identifying development challenges, marginalised and vulnerable citizens and communities
- A long term development vision for the municipal area that overcomes its development challenges
- A set of delivery priorities and objectives, based on identified needs, achievable in the current term of office that would contribute significantly to the achievement of the development vision for the area

- A set of internal transformation strategies, priorities and objectives, whose achievement would enable the delivery and realisation of the development vision
  - Additional projects identified which contribute to the achievement of the above objectives
  - A financial plan and medium term income and expenditure framework that is aligned with the priorities of the municipality
  - A spatial development framework
  - Disaster management plans
  - Operational strategies

Priorities are essentially the issues that a municipality focus on in order of importance to address the needs that exists within the communities. Municipalities are also the “face of government” in as much as it has close contact with communities and therefore should channel all other service delivery related needs to the relevant provincial or national sector departments.

The purpose of Strategic Planning is:

- An organisation’s process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people
- The formal consideration of an organisation’s future course. All strategic planning deals with at least one of three key questions:
  - What do we do?
  - For whom do we do it?
  - How do we excel?



In establishing an appropriate Economic Development for the Karoo Hoogland Local Municipality, it is essential to make reference to relevant policies at a Local, District, Provincial and National level. By reviewing the relevant policies, one can contextualize the environment in which the development will exist and more importantly, provide

guidelines and targets that will direct the Economic Development in an appropriate manner. This will also ensure that the IDP which is developed aligns with National, Provincial, District and Local initiatives. This policy analysis will be completed for National, Provincial, District and Local policies and legislation. More specifically the following policies will be reviewed:

## 4.2 VISION/MISSION

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Strategic intent refers to the purposes the organisation strives for. These may be expressed in terms of a hierarchy of strategic intent or the framework within which an organisation operates, adopts a predetermined direction and attempts to achieve its goals provided by a strategic intent. The hierarchy of strategic intent covers the vision, mission, value system, strategic goals, impact, outcomes and targets.

The organisation's strategic intent is most important and focuses on the organisation's plans and objectives in its day to day business. It is of critical importance to realise that even if the values and strategies are well designed and enunciated, the success would depend upon their implementation by individuals in the organisation. The strategic intent compels an organisation to reconceptualise its current business practices and articulates how the future would be worth being in the future. In essence the vision and mission statements look into the future more rigorously.

Articulating a vision is the soul-searching activity, where an organisation tries to answer the critical questions like 'why are we here' and 'where are we today'? This analysis of the present is essential, because it provides the true picture of today from where we begin the journey towards the future. The vision is a compelling but not controlling force that shows us where we want to be. A strategic vision enables an organisation to focus on future success.

The Karoo Hoogland Municipality, during the process of reviewing the IDP in April 2015 re-assessed and developed a new **vision statement**.

## 4.3 VISION

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Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will enhance economic development with specific focus on poverty alleviation and the creation of direct and indirect job opportunities.

Residents will have direct access to basic minimum services and a culture of pay for services must be promoted. Special focus on the development of life skills, infrastructure and education will add to economic-growth.

A safe and healthy environment must be ensured for the communities of Karoo Hoogland. The Karoo Hoogland municipality will be contributing to the fulfilment of its vision for sustainable development by providing leadership on climate change



Provide local leadership on environmental sustainability and climate change response  
Subsection 2 of section 152 goes further and directs the municipality further by prescribing what the municipality must strive to achieve, within its financial and administrative capacity, to achieve the objectives set out in subsection (1). The mission statement outlined above fully conforms to section 152 of the constitution as it guides the municipality towards ensuring that the mission statement adheres to the intent of the constitution for local government organisations.

The key fact about culture stands out, namely organisational value systems impact the way the organisation progresses and poses the following questions: What is important to our organisation? How are decisions made? Who is in charge? How do I relate to other employees and groups within our organisation? What behaviours are rewarded and recognised? What is compensation based upon? These are cardinal questions of which if answered honestly will define the culture of the organisation.

#### **4.4 KPA 1: BASIC SERVICES DELIVERY**

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Access to social and economic services enables people to participate fully in the economy and their communities. The Karoo Hoogland Municipality is responsible for all basic services and fulfils its legislative mandate exception of provincial related Health and Education.

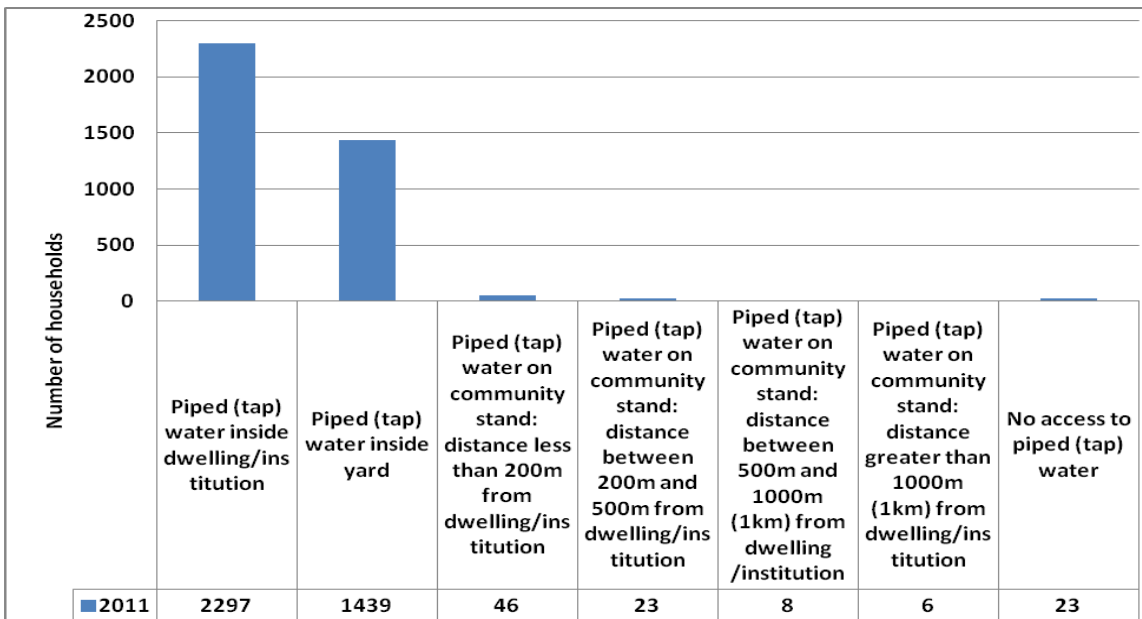
##### **WATER PROVISION**

The municipality is dependent on underground water resources and a system of borehole pumps and pipelines are in place to feed the reservoirs in the three towns from where it is further reticulated to all households.

Williston Ward 4 do experience water shortages over the last 2 to 3 years. The town are supplied by underground water but because of the recent draughts water has become a scares commodity for the area. Alternative water resources was investigated and 5 new boreholes was drilled during the 20014/2015 financial year to adhere to the need of the community and the project will be funded by the Department of Water Affairs under the Regional Bulk Infrastructure Programme. Environmental Impact Assessment and Feasibility Study is completed. In November 2016 the project was approved for the 2017/2017 financial year however counter funding is a challenge DWA only want to contribute 65% and Karoo Hoogland can only afford 15% of the total project cost. The total amount of the project is R37 million.

The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of water. A portion of the total salary budget is allocated to water services.





## PROVISION WASTE WATER (SANITATION)

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system
- Some erven are still equipped with sewerage drains and the sewerage are removed with sewerage removal vehicles.
- The balance of the erven have dry sanitation toilets (UDS), which are also serviced by the municipality.
- All three towns have oxidation ponds

The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of sanitation. A portion of the total salary budget is allocated to sanitation services.

## ELECTRICITY PROVISION

The municipality supplies to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by Eskom.

DOE funding of R1.5 million was allocated to Fraserburg Ward 2 in the 2016/2017 financial year the funding will be used to electrify the 15 new RDP Houses and for the designed of the new electrical system and purchase a new incoming transformer. The maximum demand will also be increased from eskom.

In the 2017/2018 financial year if funds are allocated construction will start.

## WASTE MANAGEMENT

The municipality has an Integrated Waste Management Plan 2014/2018 in place which was compiled by the District Municipality.

These teams are responsible for the removal of domestic as well as business refuse. The teams each comprises of a tractor driver and general workers and the refuse are collected manually and transported to the landfill sites in each town. Black bags are available to the public at the municipality in which refuse must be placed. The municipality must ensure proper operation and maintenance of existing infrastructure and equipment through licensing and upgrading of landfill sites.

All three landfill sites are licensed in the 2016/2017 financial year.

## **HOUSING**

The municipality does not have a specific staff component to deal with housing matters as the provision of housing is a provincial function. If a housing project is approved the services Consulting Engineers and contractors through prescribed SCM principles. An objective of the municipality is also to enhance sustainable service delivery through infrastructure development with reference to the housing backlog of 680 houses by 2020.

## **FREE BASIC SERVICES AND INDIGENT SUPPORT**

Due to the level of unemployment and subsequent poverty in the local municipal area, there are households that are unable to pay for normal municipal services. The municipality therefore adopted an Indigent Management Policy to ensure that these households have access to at least all basic municipal services and was guided in the formulation of this Policy by the National Governments in this regard.

All households who qualify in terms of the said policy, receives a subsidy on property rates as well as other services charges such as water, refuse and electricity (50kWh of electricity per month free of charge as well as 6000 litres water per household per month (appr. 200 litres of water/day).

Only households where the account holder or property owner has registered as indigent in terms of the municipality's annual registration programme and whose registration has been approved and entered into the register of indigents qualify for the above concessions.

The subsidies on rates and the specified services charges will be determined as part of each annual budget and in terms of the Municipality's Policies on property rates and tariffs.

## **ROAD TRANSPORT**

Williston, Fraserburg and Sutherland have tar and gravel roads. The municipality must submit projects to MIG for the upgrading of roads regularly. The tar roads are currently

in a poor condition with potholes occurring all over the roads. The municipality endeavors' to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

The municipality however does not have the financial capacity to budget for the repair of all the potholes. The municipality will have to seriously consider resealing most of the tar roads in the future before it become lapidated.

The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including road services. A portion of the total salary budget is allocated to road services.

## **WASTE WATER STORM WATER DRAINAGE**

Storm water drainage forms an integral part of road infrastructure. Due to the fact that the road infrastructure in the three towns is not up to standard it results in poor storm water drainage during times of heavy rain. The maintenance and construction of storm water structures will only be addressed once the municipality receives funds for the upgrading of its road infrastructure.

The municipality does not have separate personnel attending to this function or a budget in this regard.

## **ENVIRONMENTAL PROTECTION**

The municipality does not provide these services as it is a provincial function and services are provided by Namakwa District Municipality.

## **HEALTH**

Health and ambulances is a provincial function and provided by the Department of Health. The service is however not satisfactory due to shortage of doctors ambulances as well as inferior conditions of the road infrastructure between the towns.

## **HEALTH INSPECTIONS AND ABATTOIR**

The services is rendered and financed by Namakwa District Municipality on a contract base to the municipality.

## **SECURITY AND SAFTY**

Fire and Disaster Management is currently a function of the Namakwa District Municipality however the municipality do have a water truck and fire units for emergencies to attend to. The compiling of a Disaster Management Plan is currently a responsibility of Namakwa District Municipality who assist us with it.

## **SPORT AND RECREATION**

The municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff.

### **4.5 KPA 2: LOCAL ECONOMIC DEVELOPMENT**

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#### **BACKGROUND**

Karoo Hoogland Local Municipality was identified as one of the Municipalities to be assisted with their Local Economic Development (LED) strategy. The assistance entails assessing the status of the LED in the local Municipality, the inclusion of the LED in the IDP and the drivers and or stakeholders who form part of the strategy.

#### **KAROO HOOGLAND MUNICIPALITY LED ANALYSIS AND PROFILE**

The Karoo Hoogland LM covers a geographical area 29 423 km<sup>2</sup> which is approximately 23% of Namakwa's total. The Municipality has a population density of 0.4 people per km<sup>2</sup> and a household density of 0.1 households per km<sup>2</sup>. Approximately 9% of Namakwa's population resides in the Municipality.

#### **LED DEFINED**

"Local economic development LED is an outcome: It is a continuous development process based on local initiatives and driven by local stakeholders. It involves identifying and using local resources and skills to stimulate economic growth and development. "Northern Cape Local Economic Development Manual (NCLEDM) LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

#### **LED MANDATE**

The legislation of Local Economic Development is based on the strategic frameworks outlined below:

“A municipality must structure and manage administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of a community.” - South African Constitution (1996)

§ Local economic development must be planned for, implemented and monitored within the context of the national, provincial, local government policy and LED planning framework. Legislation and policy provide a legal framework and therefore LED must be planned for within this legal framework. Legislation that impacts directly on LED planning includes (but is not limited to):

- Municipal Structures Act (No. 117 of 1998)
- Municipal Systems Act (No. 32 of 2000)
- Municipal Finance Management Act (No. 56 of 2003)

In addition to legislation, the impact of important planning policies on a local municipal LED must be considered:

- NDP & NGP, PICC
- IPAP
- PGDS, DGDS, PSDF, DSDF, LSDF, SPLUMA, PLEDs, DLEDs, LLEDs

## **NATIONAL LED FRAMEWORK**

The National Framework for Local Economic Development in South Africa was launched in 2014, and the main thrust of the framework is to promote a strategic approach to the effective and efficient development of local economies in order to foster job-creation and reduce poverty levels through the integration of different government policies and programmes.

Key is leveraging private sector commitment and spending on localities, concretizing partnerships and program coordination that will significantly contribute to shared growth initiatives as advocated through the National Development Plan (NDP), Industrial Policy Action Plan (IPAP), Northern Cape Provincial Growth and Development Strategy (PGDS) and other government policies aimed at ensuring economic growth and transformation.

The LED policy framework therefore focuses on the following **LED Policy Pillars/Thrusts**:

### **Building a Diverse Economic Base:**

- Sectoral development (Manufacturing, Agriculture, Tourism, Green Economy, etc.)
- Metropolitan Economic Development
- Regional Economic Development
- Regional Industrial Development Programme
- Industrial Cluster Development Programme

### **Developing Learning and Skilful Local Economies:**

- Tackling basic skill Gap
- Developing workforce skills
- Developing an Enterprise and Entrepreneurship Culture
- Developing Leadership and Management Skills

### **Developing Inclusive Economies:**

- Informal Economy Support
- Inner City Economic Revitalization
- Township Economic Development
- Inclusive Rural Economy
- Youth and Woman Economic Development
- Expanded Public Works Programme and Community Works Programme

### **Enterprise Development and Support:**

- Small, Medium and Micro Enterprises
- Cooperative Enterprises
- Broad Based Black Economic Empowerment (B-BBEE) Support
- Youth and Woman Enterprises
- Business Development Support

### **Economic Governance and Infrastructure:**

- Improving Economic Leadership and Management Capacity
- Administrative Economic Development Capacity
- Access to development Funding/ Finance
- Developing Local Economies as District Brands
- Economic Infrastructure

## **THE LED LEGISLATIVE AND POLICY CONTEXT**

### **a. National legislation**

#### **i. The Constitution of the Republic of South Africa**

The Constitution (Act 108 of 1996) is the cornerstone for all legislation and policy-making in South Africa. In Particular, Chapter 7 defines the role of local government in its community.

Five objectives of local government are described in section 152:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organisations in the matters of local government.

**Furthermore, section 153 stipulates the following developmental duties of all municipalities:**

1. A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
2. A Municipality must participate in national and provincial development programmes.

## **ii. New Growth Path**

Government adopted the New Growth Path (NGP) as the framework for economic policy and the driver of the country's Jobs Strategy. In response to the core challenges facing the Nation economically namely joblessness, poverty and inequality combined within the global and national context. The by components of the strategy is to (a) identify areas where employment is possible on large scale and

(b) To develop a policy to facilitate employment created through:

1. A comprehensive drive to enhance both social equity and competitiveness,
2. Systematic changes to mobilise domestic investment around activities that can create sustainable employment,
3. Strong social dialogue to focus all stakeholders on encouraging growth in Employment-creating activities.

The focus is to realize the above mentioned and is key job drivers and sectors which include the following:

- Infrastructure;
- The agricultural value chain;
- The mining value chain;
- The green economy;
- Manufacturing sectors, which are included in IPAP; and
- Tourism and certain high-level services.

## **iii. National Development Path**

The National Development Plan is focussed on the socio-economic transformation of our society by 2030 through active change.

The NDP focus on:

- Opportunities,
- Conditions,
- Rising living standards,
- Poverty reduction,
- Growth,
- Employment,

➤ Capabilities.

This is underpinned through social collision and enabled by active citizenry, strong leadership and effective government. It gives a focus for 2030 which is largely enabled by the National Growth Path.

#### **iv. The Industrial Policy Action Plan (IPAP)**

The major weakness identified in South Africa's long-term industrialisation process is that the decline in the share of employment in the traditional tradable sectors, particularly mining and agriculture, has not been offset by a sufficiently large increase in the share of relatively labour-intensive employment in non-traditional tradable goods and services, particularly manufacturing.

Consequently, the objectives of the IPAP2 are:

1. To facilitate a shift away from reliance on traditional commodities and non-tradable services and promote value-added goods and services that competes in export markets (against imports).
2. To intensify the industrialisation process and move towards a knowledge- rich economy.
3. To promote a more labour-absorbing industrialisation path, with particular emphasis on tradable labour-absorbing goods and services and economic linkages that enhance employment creation.
4. To promote a broader-based industrialisation path characterised by increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.

#### **v. National LED Framework**

The National LED Framework was revised during March 2014 to stimulate and revitalise LED Planning, Coordination and Implementation, and the objectives were somewhat modified to fit the current LED prerequisites.

#### **The objectives of the framework are:**

- To build a shared understanding of LED in South Africa,
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy,
- To wage the national fight against poverty more effectively through local level databases, strategies and actions,
- To improve community access to economic initiatives, support programmes and information,
- To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors,
- To build greater awareness about the importance and role of localities which, globally, which are playing an increasingly significant role as points of investment.



## **vi. Presidential Infrastructure Coordination Commission**

The PICC is mandated by Presidential Cabinet to plan and coordinate a National Infrastructure Plan. It is driven by the highest levels of political will and dedication to harmonise infrastructure planning and implementation across all spheres of the Government of the Republic of South Africa, State agencies as well as social partners.

Cabinet established the PICC, to:

- Coordinate, integrate and accelerate implementation.
- Develop a single common National Infrastructure Plan that will be monitored and centrally driven.
- Identify who is responsible and hold them to account.
- Develop a 20-year planning framework beyond one administration to avoid a stop-start pattern to the infrastructure roll-out.

The PICC's mandate is to ensure systematic selection, planning and monitoring of large Projects and its terms of reference include the objectives outlined below:

- Identify 5-year priorities,
- Develop a 20-year project pipeline,
- Achieve development objectives: skills, industrialisation, empowerment, research & development,
- Expand maintenance: new and existing infrastructure,
- Improve infrastructure links: rural areas and poorest provinces,
- Address capacity constraints and improve coordination and integration,
- Scale-up investment in infrastructure,
- Address impact of prices,
- Support African development and integration.

## **vii. Special Planning and Land Use Management Act: (16 of 2013)**

Set to aid effective and efficient planning and land use management. In the context of the spatial transformation agenda, SPLUMA has been proposed as a possible tool to effect spatial transformation.

**SPLUMA principles are:**

### **a) The principle of spatial justice, whereby—**

- i. Past spatial and other development imbalances must be redressed through improved access to and use of land;
- ii. Spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterised by widespread poverty and deprivation;
- iii. Spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons;

- iv. Land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- v. Land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
- vi. A Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application;

**b) The principle of spatial sustainability, whereby spatial planning and land use management systems must—**

- i. promote land development that is within the fiscal, institutional and administrative means of the Republic;
- ii. Ensure that special consideration is given to the protection of prime and unique agricultural land;
- iii. Uphold consistency of land use measures in accordance with environmental management instruments;
- iv. Promote and stimulate the effective and equitable functioning of land markets;
- v. Consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;
- vi. Promote land development in locations that are sustainable and limit urban sprawl; and
- vii. Result in communities that are viable.

**c) The principle of efficiency, whereby—**

- i. Land development optimises the use of existing resources and infrastructure;
- ii. Decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
- iii. Development application procedures are efficient and streamlined and timeframes are adhered to by all parties.

**d) The principle of spatial resilience, whereby.**

Flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

**e) The principle of good administration, whereby—**

- i. All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ii. All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;

- iii. The requirements of any law relating to land development and land use are met timeously;
- iv. The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and
- v. Policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

#### **viii. Integrated Sustainable Rural Development Strategy**

The purpose of the Integrated Sustainable Rural Development Strategy (ISRDS) is to enhance the welfare of the poor that inhabit rural areas of South Africa. This is only possible if sustainable economies are created from which they can survive. Successful implementation involves facilitating rural development that is both sustainable and integrated in nature. Municipalities are key players in the implementation of the ISRDS due to their decentralised nature – it is only through direct participation with the rural community that one can correctly identify the developmental needs and opportunities. It is also essential for local stakeholders to be mobilised in order to create an environment in which the ISRDS can be successfully facilitated and sustained.

#### **ix. The Broad-Based Black Economic Empowerment Act**

In order to uproot inherited social imbalances, progressive legislature has been passed. One example is the Broad-Based Black Economic Empowerment (BBBEE) Act of 2004 where systematic measures are in place to uplift previously disadvantaged communities. Those included in the 'broad-based black' definition are Africans, Coloureds, Indians, women, workers, the youth, disabled persons and those who live in rural communities. The main objective of the BBBEE Act is to transform the South African economy to better reflect the South African society, whereby commercial enterprises are largely owned and managed by previously disadvantaged individuals. This Act also aims to support the 'broad-based black' population through promoting public and private investment in relevant communities and providing easier access to financial assistance.

#### **b. Provincial legislation**

##### **i. The Northern Cape Provincial Growth and Development Strategy (NCPGDS-2012)**

Planning for the promotion of economic growth and social development lies at the core of government's responsibility to provide a better life for all. It is essential to ensure that planning is integrated across disciplines, co-ordinated within and between different planning jurisdictions and aligned with the budgeting processes of national, provincial and local government.

The NCPGDS sets the tone for development planning and outlines the strategic planning direction in the Province.

The main objectives set by the NCPGDS for development planning in the Province are:

1. Promoting the growth, diversification and transformation of the provincial economy.
2. Poverty reduction through social development.
3. Developing requisite levels of human and social capital.
4. Improving the efficiency and effectiveness of governance and other development institutions.
5. Enhancing infrastructure for economic growth and social development.

The following sectorial documents have been developed in line with the PGDS:

1. Provincial LED Strategy.
2. Provincial Tourism Strategy.
3. Provincial SMME Strategy.
4. Provincial Trade and Investment Strategy.
5. Provincial Incubation Strategy.
6. Provincial Agriculture Strategy.
7. Provincial transport Strategy.

## **ii. Provincial Spatial Development Framework**

The PSDF provides an appropriate spatial and strategic context for future land-use throughout the Northern Cape, from a *provincial* perspective. The PSDF is an expression of the mental image, vision and aspirations which the people of the Northern Cape have for their province.

From a spatial planning perspective the key objectives of the PSDF are to:

- a. Provide a spatial rationale and directive for future development in terms of the principles of sustainability as advocated by the National Framework on Sustainable Development (Department of Environmental Affairs {DEA}, 2008) and the National Strategy for Sustainable Development and Action Plan 2011-2014 (NSSD) (DEA, 2011).
- b. Give effect to the directives of the national government as expressed in *inter alia* the National Spatial Development Perspective (NSDP), the National Framework on Sustainable Development (DEA, 2008), and the National Strategy for Sustainable Development and Action Plan 2011-2014 (NSSD).
- c. Give spatial effect to the provisions of the Northern Cape Provincial Growth and Development Strategy (PGDS) (July 2011) and guide implementation of anchor projects.
- d. Provide direction for the roll-out of national and provincial rural development programmes in the province, e.g. the Comprehensive Rural Development Programme (CRDP), Comprehensive Agricultural Support Programme (CASP), etc.
- e. Provide guidance to public and private infrastructure investment in the province, taking cognisance of the growth and development potential of the various regions and settlements in the province.
- f. Spatially co-ordinate and direct the activities and resources of the provincial government departments.

## **c. Municipal Legislation**

### **i. The White Paper on Local Government**

According to the White Paper on Local Government, local authorities have the following responsibilities in terms of their obligation to economic development:

1. Provide marketing and investment support in order to attract potential support to their locality.
2. Small business support services should be provided to assist small entrepreneurs.
3. To support the Local Business Support Centres Programme (i.e. SEDA) launched by the Department of Trade and Industry. The purpose of these centres is to assist local entrepreneurs with issues relating to skills, premises, information, networking, marketing and credit.
4. To provide targeted assistance (such as market research and technology provision) to a particular sector in the local economy that has the potential to expand.
5. Supplementing and tailoring the services provided by the Department of Labour to local needs through the supply of training and placement services. This is necessary to ensure that people acquire skills and find jobs.

### **ii. The Municipal Structures (1998) & Municipal Systems Act (2000)**

The Municipal Structures Act of 1998 defines the types and categories of Municipalities, division of functions and powers within Municipalities, and the regulation of internal systems. Great emphasis is placed on the need for co-operation between different levels of government to better achieve goals and targets.

Alternatively, the Municipal Systems Act of 2000 provides Municipalities with guidelines which 'enable municipalities to move progressively towards the social and economic upliftment of local communities' so that basic services may be met. Duties of the municipal council (within financial and administrative capacity) are given in section 4(2):

1. Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
2. Provide, without favour or prejudice, democratic and accountable government;
3. Encourage the involvement of the local community;
4. Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
5. Consult the local community about —
  - a. The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider: and
  - b. The available options for service delivery.
6. Give members of the local community equitable access to the municipal services to which they are entitled;
7. Promote and undertake development in the municipality;
8. Promote gender equity in the exercise of the municipality's executive and legislative authority
9. Promote a safe and healthy environment in the municipality: and

10. Contribute together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution. In addition, Section 26 stipulates that every Municipality is bound by law to produce an integrated development plan (IDP) of which LED is a core component.

### **iii. Back to Basics (B2B)**

The Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGSTA) is currently looking into adding Local Economic Development as one of the Pillars in their Back to Basics strategy (B2B), this however is still under review. If this is concluded during the Back to Basics review it will be prioritize substantially.

## **VISION MISSION AND OBJECTIVE**

### **Vision**

The LED vision of Karoo Hoogland Local Municipality is:” *To create a safe, healthy and economically sustainable environment where all the residents of the Karoo Hoogland LM benefits from basic service provision and adequate social infrastructure.*”

The goals and objectives have been derived from the constraints and opportunities stated during the LED engagements with stakeholders, these goals and objectives aim to address the needs of unemployment and poverty in Karoo Hoogland Local Municipality.

The LED goals for Karoo Hoogland Local Municipality are as follows:

- Poverty relief through effective basic service delivery and job creation,
- Assist with economic interventions in sector development (agricultural, tourism and renewable energy,
- Facilitate education, literacy, skills development and capacity building within the Local economy,
- Promote business and investment attraction and retention,
- Enhance sustainable service delivery through infrastructure development.

### **Structure and System**

The institutional profile and organogram is unique to every area and should be informed by the LED vision. Directly under the municipal manager we have the following:

### **Organogram**

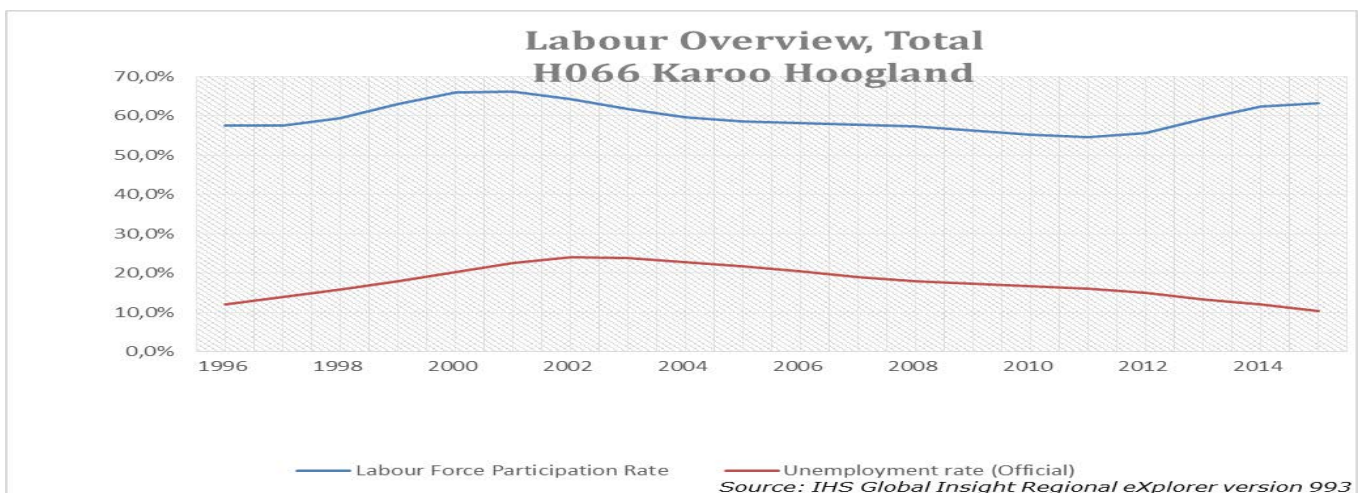
The LED Manager is usually responsible for Local Economic Development, marketing, investment attraction, job creation and poverty alleviation, SMME development and promotion, tourism development and promotion, IDP, youth advisory centre, the compilation of policies and planning documents, arrangements for campaigns and promotions. Currently there is no LED Manager, but with the restructuring a Manager: Community Services position has been created, who reports directly to the Municipal Manager undertaking LED , IDP and other related matters for the municipality.

## LED Forum

The Karoo Hoogland Municipality has no LED Forum established. There is however an IDP Rep Forum in the Municipality that are utilized for engagements during the review of the IDP. The main objective is to coordinate the development initiatives in the area as well as to ensure that the implementation plan of the LED strategy will be implemented as well as integration of the different policies. This forum will ensure that poverty, job creation and social and economic development must take place.

## Opportunities and Projects

### Economic synopsis



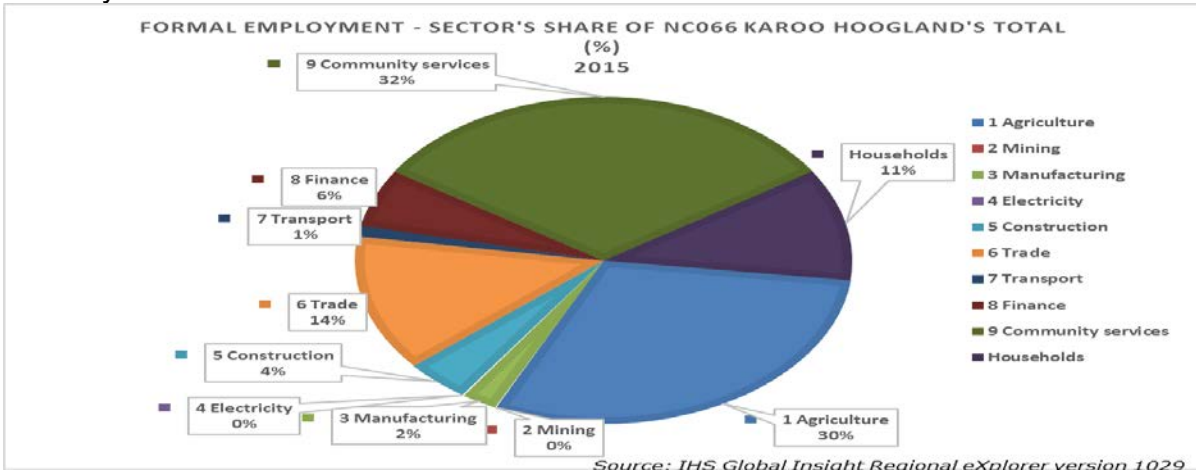
### Employment status

The labour force participation rate in Karoo Hoogland increased quite fast since 1996 till 2002. From thereon there was a steep decline till 2011. The main reason for the decline is the fact that agriculture is the main job creating sector in the area. There was no other sectors that created jobs during this period. Since 2011 there is an increase in jobs over the last 4 to 5 years. This increase was mainly caused by the new SKA project that was implemented. During 1996 till 2002 there was a steep increase in the unemployment rate in the Karoo Hoogland Municipality. Since 2002 there was however a steady decline in the unemployment rate in the area. It declined from 24, 0% in 2004 to 12,1% in 2014. The main reason is the consistent contribution of the agriculture sector towards job creation in the Municipal area and the related opportunities of SALT. The related infrastructure and tourism opportunities consistently increased and absorbed local labour. Although there was a recession in 2008 it cannot be identified in terms of the statistics. As unemployment is one of the priority issues in KarooHoogland Municipality raised by the community, these statistics confirm that unemployment is not a huge problem in the Karoo Hoogland Municipality. The Karoo Hoogland LM's employment status consists of:

- 12,1% unemployed

- Labour force participation rate – 63,3% more or less at the same level as in 1999
- The main reason for this tendency is that the uptake of employment is steady and quick due to the fact that it is low or semi-skilled labour that is required.

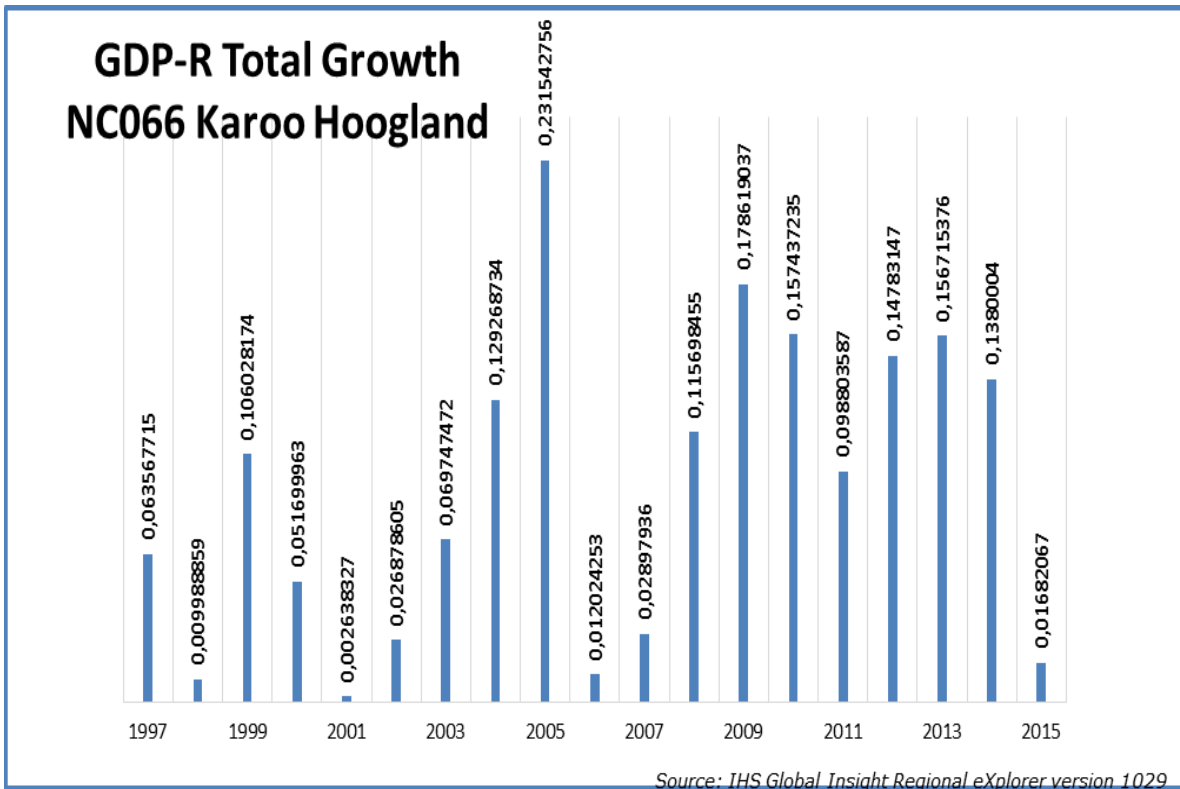
### Industry



Looking at the total formally and informally employed people within the Karoo Hoogland Municipality, most people are employed within the Government and Community Services sector by 32%, secondly the Agriculture sector with 30% and the trade and retail sector with 14 %. If the Agriculture sector keep on declining and contribute less due to global economics and the droughts, while the Government sector started to contribute more towards grants and subsidies it can become problematic for the sustainability of the Municipality. New industries like the SALT, SKA, tourism and renewable energy must be supported to try and do a turnaround for the sustainability of the Municipality.

### Gross Domestic Product





The GDP growth in Karoo Hoogland was fairly consistent over the years since 1996 till 2014. The rate ranges from nearly 2,2% in 2005 to 0.02% in 1998. The periods when droughts or other factors have played a part can be seen in the periodic declines in 1998, 2002, 2006 and 2015. These effects are being felt due to the fact that the main sector contributors are agriculture and community services. On average the growth over the period\ was 0, 9% which shows the consistent contribution by the agriculture sector over this time period. The steepest declines were experienced during 2005 and 2015 during drought years. The SALT and SKA with their related investment and spin-offs has also consistently grown and expanded the GDP base.

### 3.7.2 PILLARS and THRUSTS

#### PILLARS THRUST TASK/PROJECTS

##### PILLARS AND THRUSTS

| PILLARS  | THRUST                                    | TASK/PROJECTS  |
|--|---|--|
| Building a diverse Economy                     | Renewable Energy/ SKA/ Mining Development | <ul style="list-style-type: none"> <li>Investigate possible opportunities for development of renewable energy.</li> <li>Investigate opportunities for mining eg. Fracking , Uranium</li> <li>Investigate opportunities that can emerge from SKA development</li> </ul> |
| Developing Learning & Skillful Local Economies | Institutional Development                 | <ul style="list-style-type: none"> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members Establish</li> </ul>                                 |

|                                      |                             |  |
|--------------------------------------|-----------------------------|--|
|                                      |                             | <ul style="list-style-type: none"> <li>an LED Committee</li> <li>▪ Establish a functional LED Forum</li> <li>▪ Identify appropriate LED Training and Capacity Building programmes for various staff members</li> </ul>   |
| Developing Inclusive Economies       | Agriculture Development     | <ul style="list-style-type: none"> <li>▪ Water capacity needs to be extended.</li> <li>▪ Determine the viability of new agricultural ventures.</li> <li>▪ Release land to Local farmers</li> <li>▪ Source funding for farmers</li> <li>▪ Establish community gardens</li> </ul>  |
|                                      | Tourism Development         | <ul style="list-style-type: none"> <li>▪ Update the existing Tourism Strategy (2002)</li> <li>▪ Investigate possible linkages and joint initiatives with other Namakwa Local Municipalities, the Western Cape and Namibia</li> <li>▪ Establish Tourism Information Centres in all Towns</li> <li>▪ Training of tour guides.</li> </ul>   |
| Enterprise Development and Support   | SMME and Business Support   | <ul style="list-style-type: none"> <li>▪ Source funding for emerging businesses</li> <li>▪ Generate a SMME Database Providing training and support for leadership and management development</li> <li>▪ Identify skills gaps within key economic sectors</li> <li>▪ Identify available land and ensure that it is serviced and zoned correctly; and allow equal access to this land for Local communities Strengthen marketing platform for SMME's to market good and services</li> <li>▪ Implementation of mentorship programmes for SMME's</li> <li>▪ Ensure training programmes provided are relevant and accredited</li> <li>▪ Facilitate training programmes available</li> <li>▪ Determine the viability small scale mining ventures.</li> </ul> |
| Economic Governance & Infrastructure | Quality of Life Improvement | <ul style="list-style-type: none"> <li>▪ Overcome backlogs in service delivery</li> <li>▪ Implement opportunities for bulk infrastructure development</li> <li>▪ Improve access to health care and education</li> </ul>  |

### 3.7.3 Thrusts

#### Agriculture in Karoo Hoogland

Large farm portions owned by the municipality are made available to emerging farmers. These areas need to be well managed to ensure sustainable communities, i.e., impose grazing management guidelines, capacity building programmes, settlement densities and the provision of services and business support. The larger extent of Karoo Hoogland consists of agricultural land with low potential grazing mainly used for sheep and game farming. There is an increasing interest in commercial game farming, hunting safaris and holiday farms in the municipal area. Only 1.5% of soils are highly suitable for arable agriculture, where climate permits. Possibilities for small-scale intensive irrigation farming exist on the banks of the Sak, Riet, Sout, Brak and Damfontein Rivers.

## **Mining**

The mining industry in Karoo Hoogland could become an employer in years to come, considering the huge uranium deposits. Possibilities of uranium mining have been identified, mainly in the southern part of the municipality:

- South east (Damfontein se River) and south west of Fraserburg (Klein Riet River)
- South east of Sutherland, close to Salpeterskop and on the banks of the Riet River

Other mining opportunities include:

- Copper and silver are found on Klein Witkraal op Kapgat 724, Klein Kookfontein 137,
- Droogfontein 356 and Arbeiders Fontein 150.
- Calcite is found on the farms Annex Kransfontein 721 and Arbeiders Fontein 15

## **Tourism**

Williston is situated on the beds of the Zak River, a seasonal river where unique riverbed irrigation is practiced, similar to that at the Nile River in Egypt. There is a fantastic but eerie reason to visit Williston:

a Tombstone Route, showcasing an exceptional form of art - stone cutting. Nowhere will one find more beautiful and fascinating tombstones than here. Sutherland is 120km north of Matjiesfontein (turn-off from the N1) on the R354 and approximately 135km south of Calvinia. Sutherland was established in 1858 and named after a prominent Worcester cleric, Reverend Henry Sutherland, the town on the Roggeveld Plateau 1 450m above sea

level is known for its brilliant night skies and cold, biting winters, known to be the coldest place in SA. There are also footprints of glaziers called the Paleo Surface and the Tankwa Karoo Nature Reserve that can contribute to the overall tourism potential of the Municipal area.

## **Renewable Energy**

Roggeveld Wind Farm development is proposed in the Roggeveld Mountains. The facility will utilise wind turbines to generate electricity that will be fed into the Nation Power Grid. The facility will have an energy generation capacity of up to 750MW and will consist of the following:

- ± 250 wind turbines;
- Electrical connections;
- Substation (single storey of approximately 2500m<sup>2</sup> in size)
- Access roads and site access; and
- Additional project infrastructure.

Suurplaat Wind Energy Facility lies 50km south east of Sutherland and 41km north of the N1 national road. The study area measures approximately 10 874 hectares. The electricity generated will be fed into the National Power Grid and will consist of 140 wind turbines and associated infrastructure (i.e. substations, access roads and distribution power lines).

## **SKA**

The Karoo Array Telescope (MeerKAT) project involves the construction of a world-class radio telescope, which is being built by the Department of Science and Technology and the National Research Foundation near the towns of Carnarvon and Williston. The construction of the SKA is expected to cost about 1.5 billion Euros.

The Astronomy Geographic Advantage Act, 2007 (Act No. 21 of 2007) indicates that once an area has been declared an astronomy advantage area, measures for protection from detrimental radio interference will be applied as provided in the regulations. Protection levels shall be enforced on any new radio frequency service operating within specific frequency ranges and existing radio frequency services with the proviso that concessions may be granted. Karoo Hoogland Municipality is impacted on by all three Karoo Central Radio Astronomy Advantage Areas. The specific implications for development are currently unknown SKA. The SKA will be developed over different phases. Pre-construction development started in 2012 and will last until the latter half of this decade, involving the detailed design, implementation, R&D work, and contract preparation needed to bring the SKA's first phase to construction readiness. The main bulk of the SKA will be built in two main phases, between 2018 and the late 2020s, the first phase will involve testing the full system in a "proof of concept" manner. For SKA **Phase 1**, Australia will host the lowfrequency instrument with more than 500 stations, each containing around 250 individual antennas, whilst South Africa will host an array of some 200 dishes, incorporating the 64-dish MeerKAT precursor telescope.

**Phase 2** will complete the telescope arrays at both sites, and become fully operational in the late 2020s, by which time the SKA will count with some 2000 high and mid frequency dishes and aperture arrays and a million low frequency antennas. The SKA will already start conducting science observations in 2020 with a partial array.

## **SALT**

The South African Large Telescope is close to Sutherland and has become an international known astronomy destination. This has seen Sutherland develop into a research and visitors destination that has led to extensive tourism investment. The benefit is the fairly low barriers to entry. A concern though is the transformation of this sector. Seen as SKA will a radio silence area one foresee that that Sutherland will become the "closest and next best" astronomy destination that I accessible.

**Project list – Prioritised and Budgeted For**

| Project                                      | Project Description  | Budget         |
|--|--|----------------|
| Sutherland Bulk Water                        | Upgrading of current system to supply more households                | R 6 582.400.00 |
| Sutherland Sport Ground                      | Upgrading of facilities  | R 1 161.600.00 |
| Palio surface and Museum upgrade             |  | R2,5m          |
| Water metering system in Sutherland          | Installation of 100 metering systems as a pilot out of own funds     | R2,7m          |
| Karoo Stars and Indigenous knowledge posters | Posters to be distributed to schools , museum and other public sites | R100000        |
| Training of Tour guides and vehicles         | Training of guides and purchase of suitable vehicles                 | R1m            |

**PROPOSED DUPLICATION OF THE LED COMPONENT FOR KAROO HOOGLAND LOCAL MUNICIPALITY****LED component for IDP**

The following headings and content is based on the in-depth analysis conducted utilizing several sources. This will entail merely duplication of this exact component into the IDP.

**LED OBJECTIVES****LED Definition:**

“Local economic development LED is an outcome: It is a continuous development process based on local initiatives and driven by local stakeholders. It involves identifying and using local resources and skills to stimulate economic growth and development. “Northern Cape Local Economic Development Manual (NCLEDM)”

**LED Enables:**

LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (areas based initiatives);

- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

## VISION MISSION AND OBJECTIVES

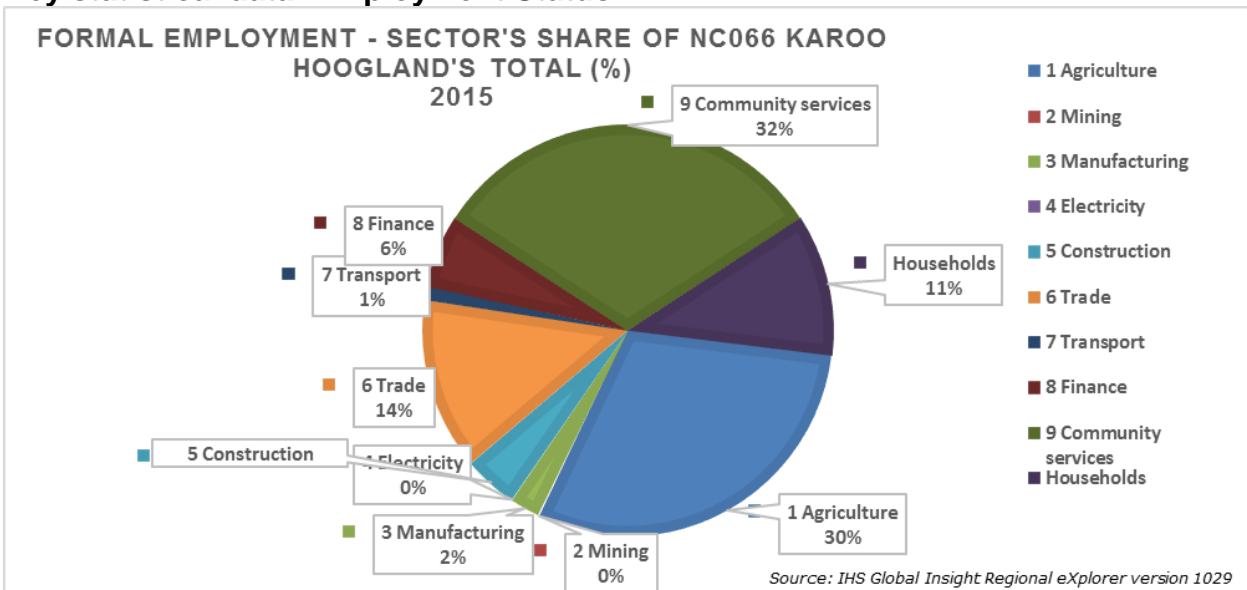
### Vision (current)

The LED vision of Karoo Hoogland Local Municipality is “*To improve the living standards and conditions of residents through fully utilising its limited resources and to strengthen the local economy by creating an economically sustainable environment*” The goals and objectives have been derived from the constraints and opportunities stated during the LED engagements, these goals and objectives aim to address the needs of unemployment and poverty in Karoo Hoogland.

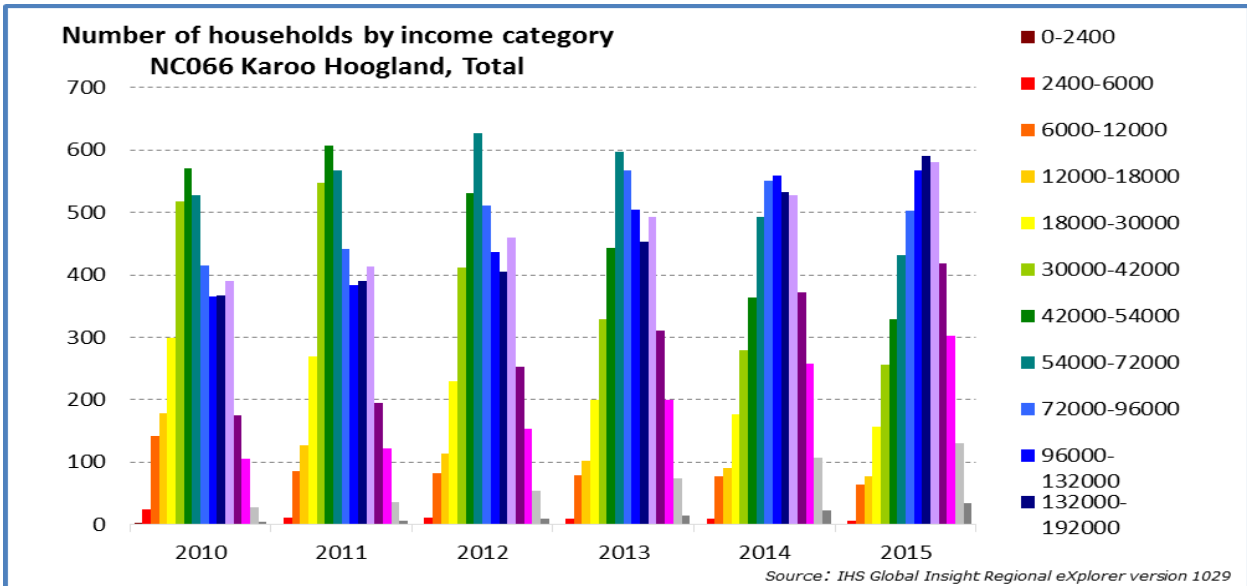
The LED goals for Karoo Hoogland Local Municipality are as follows:

- Poverty relief through effective basic service delivery and job creation.
- Ensure effective service delivery through transformation, capacity building and infrastructure development.
- Form linkages in order to facilitate skills development.
- Promote business and investment attraction and retention.
- Assist with economic interventions in sector development (agricultural, mining, tourism and renewable energy).

### Key statistical data: Employment Status

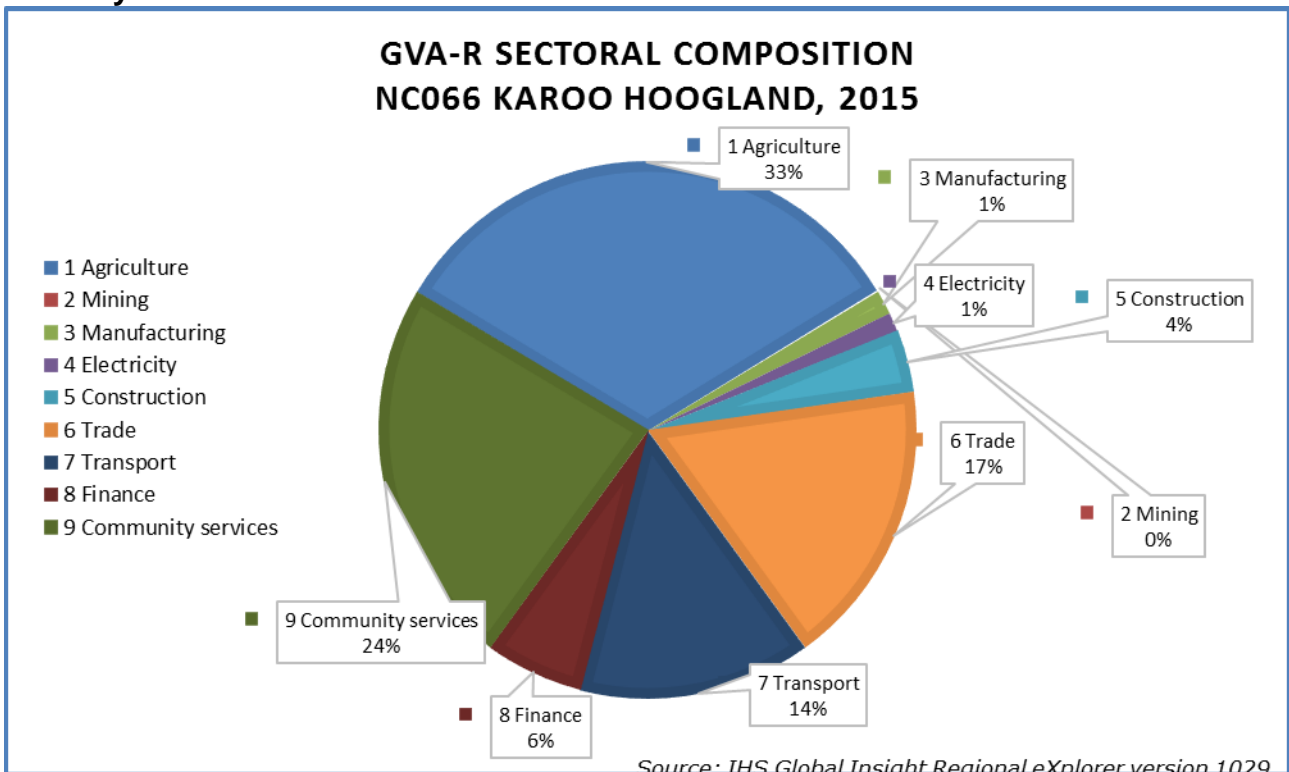


### Income Distribution



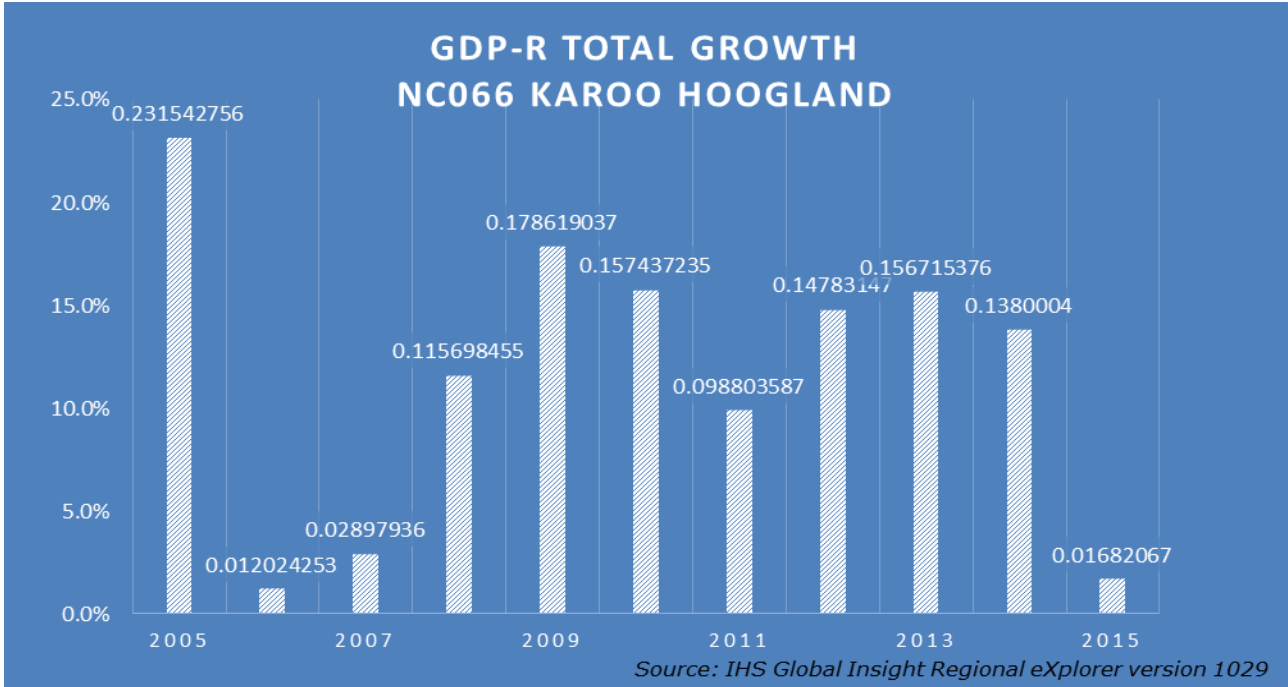
The biggest income groups per household between 2010 and 2011 were in the R42000- R54000 bracket and a steady decline in the outer years, with a sharp increase in the R54000 – R72000 group in 2012. The group with the steady growth of income over the period was the R96000-R132000 group as indicated in the graph below. This means that the income of households progressed steadily over the last 10 years. This indicated an improvement in the livelihoods of the people of Karoo Hoogland

### Industry and Sectors



In the graph below it still shows that the Agriculture sector (33%) contributes the most in terms of the GVA in 2015. The second sector in terms of contribution is the Community services sector with 24% and in the third place it is the Trade sector with 17%. The sectors that contributed the least were the mining (0%), electricity (1%) and manufacturing (1%).

### Gross Domestic Product



### Gross Domestic Product Growth

The GDP growth in Karoo Hoogland was fairly consistent over the years since 1996 till 2014. The rate ranges from nearly 2, 2% in 2005 to 0.02% in 1998. The periods when droughts or other factors have played a part can be seen in the periodic declines in 1998, 2002, 2006, 2015. These effects are being felt due to the fact that the main sector contributors are agriculture and community services. On average the growth over the period was 0,9% which shows the consistent contribution by the agriculture sector over this time period. The steepest decline was experienced during 2005 and 2015 during drought years.

### PILLARS AND THURST PILLARS THRUST TASK/PROJECTS



| <b>PILLARS</b>                                 | <b>THRUST</b>                             | <b>TASK/PROJECTS</b>  |
|--|---|---|
| Building a diverse Economy                     | Renewable Energy/ SKA/ Mining Development | <ul style="list-style-type: none"> <li>Investigate possible opportunities for development of renewable energy.</li> <li>Investigate opportunities for mining eg. Fracking , Uranium</li> <li>Investigate opportunities that can emerge from SKA development</li> </ul>  |
| Developing Learning & Skillful Local Economies | Institutional Development                 | <ul style="list-style-type: none"> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> </ul>  |
| Developing Inclusive Economies                 | Agriculture Development                   | <ul style="list-style-type: none"> <li>Water capacity needs to be extended.</li> <li>Determine the viability of new agricultural ventures.</li> <li>Release land to Local farmers</li> <li>Source funding for farmers</li> <li>Establish community gardens</li> </ul>   |
|  | Tourism Development                       | <ul style="list-style-type: none"> <li>Update the existing Tourism Strategy (2002)</li> <li>Investigate possible linkages and joint initiatives with other Namakwa Local Municipalities, the Western Cape and Namibia</li> <li>Establish Tourism Information Centres in all Towns</li> <li>Training of tour guides.</li> </ul>  |
| Enterprise Development and Support             | SMME and Business Support                 | <ul style="list-style-type: none"> <li>Source funding for emerging businesses</li> <li>Generate a SMME Database Providing training and support for leadership and management development</li> <li>Identify skills gaps within key economic sectors</li> <li>Identify available land and ensure that it is serviced and zoned correctly; and allow equal access to this land for Local communities</li> <li>Strengthen marketing platform for SMME's to market good and services</li> <li>Implementation of mentorship programmes for SMME's</li> <li>Ensure training programmes provided are relevant and accredited</li> <li>Facilitate training programmes available</li> <li>Determine the viability small scale mining ventures.</li> </ul> |
| Economic Governance & Infrastructure           | Quality of Life Improvement               | <ul style="list-style-type: none"> <li>Overcome backlogs in service delivery</li> <li>Implement opportunities for bulk infrastructure development</li> <li>Improve access to health care and education</li> </ul>   |

## ACTION PLAN

| Thrust   | Activity   | Responsibility             | Target Date                         | Progress |
|--|--|----------------------------|-------------------------------------|----------|
| <b>Renewable Energy</b>                                | Engagements with IPP stakeholders to influence and receive funding for future projects       | KHM                        | January 2017 until project finished |          |
| <b>Mining</b>  | Engage with Companies to access SLP funding and procurement opportunities- Fracking ,Uranium | KHM                        | Ongoing                             |          |
| <b>SKA</b>   | Access opportunities and funding for SMME development  | KHM, DST, DED              | Ongoing                             |          |
| <b>LED SMME database</b>                               | Develop a sectoral database for SMME's and businesses  | KHM                        | Ongoing                             |          |
| <b>Procurement /SMME policy</b>                        | Develop a procurement policy and SMME strategy to enhance local procurement                  | KHM, DEDaT, DED            | June 2017                           |          |
| <b>Tourism Strategy</b>                                | Develop with assistance of DEDaT Tourism a new strategy                                      | DEDaT, KHM, Open Africa    | Aug 2017                            |          |
| <b>Training of Tour guides and upgrading of Museum</b> | Access funding for tour guide training and the upgrading of the Museum                       | MIG, Dept of Tourism (Nat) | Oct 2017                            |          |

## PROJECT PRIORITIZATION MATRIX

The project prioritization matrix can be used as a tool to identify projects the Municipality can prioritize in the IDP and LED strategy.

## OTHER OPPORTUNITIES

The above opportunity scan only focussed on three of the nine economic sectors as well as the Tourism Industry. The fact that the other sectors were not included in the opportunity analysis does not mean that these sectors have no potential for development within the Karoo Hoogland LM but rather that these sectors have less potential for development. It is important to note that there are a number of opportunities within these sectors; however the following are seen as the most prominent:

- Mining
  - There is no mining and quarrying taking place in Karoo Hoogland LM. There are opportunities in the area but feasibility studies would need to be done to ensure it does not interfere with the other activities in the area (such as the telescope and astronomy activities).
  - Uranium, Gypsum and gas/oil mining if proven to be feasible
  - Copper and silver are found on Klein Witkraal op Kapgat 724, Klein Kookfontein 137, Droogfoots Fontein 356 and Arbeiders Fontein 150
  - Calcite is found on the farms Annex Kransfontein 721 and Arbeiders Fontein 150

- Aggregate and building material is found on the farms Brassefontein 371 and Wit Klip 372
- Development of an SMME strategy.

## **ADDRESSING LED CONSTRAINTS**

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Some of the weaknesses identified in the SWOT analysis are not controllable, such as climate. Others, however, can be managed and improved as part of a comprehensive strategy to address supply-side factors and attract investors. Furthermore, many of the threats identified are similarly not easily controllable. They can, however, be monitored and, for example, attempts can be made at halting degeneration (that is gradual decline and closing of certain economic activities). This section, thus, deals with addressing internal constraints to LED, and with regenerating sectors suffering decline. In order to support and enhance the viability of LED projects in the Karoo Hoogland Local Municipal area an “integrated development platform” or a generally enabling environment is needed. This will require addressing, where possible, major constraints to economic development, such as:

- The state of municipality in terms of service provision. This includes human and financial capacity to deliver basic services to the population. This cuts across the roles of the Namakwa District Municipality, the Karoo Hoogland Local Municipality, and the other Local municipalities.
- The status of institutions. The Karoo Hoogland LM is extremely willing to undertake LED initiatives but none-the-less, there remains much room for improvement in terms of the human and financial capacity (see Section 3 above) to undertake feasibility studies, draw up business plans and attract suitable investors for LED projects.
- Available infrastructure. Infrastructure is a major constraint to LED in the Karoo Hoogland Local Municipality. Efforts to improve road, rail, and air transport are essential. This can continue to be achieved through the EPWP, thus ensuring that Local benefits of any infrastructural construction work are maximised. These types of initiatives will also increase potential for retail sector, for example through increased One-Stop style service stations, particularly along the N7.
- Spatial orientation. The large geographic area covered by Karoo Hoogland Local Municipality is an inherent challenge to LED in the area. The effect of this can, however, be limited to a certain extent through the use of modern technology (i.e. improved telecommunications infrastructure and skills are needed) and through improved transport infrastructure and services.
- Environmental constraints. There are a number of Protected Areas in the Karoo Hoogland Local Municipality. These are, however, seen as valuable tourism and environmental assets.
- Land availability. Land reform is seen to be failing in the area, as claims take years to be processed and many land claim beneficiaries have failed at attempts at farming, for example.

- Supporting institutions. This is an area which is a severe inhibitor of economic development in the Karoo Hoogland Local Municipality, which lacks tertiary education and research and development institutions. Those who can afford to, leave the area for other provinces with better educational facilities, many of whom do not return. This has a negative impact on the quality of labour in the Karoo Hoogland Local Municipality. If the Karoo Hoogland Local Municipality is to realise its goal of diversifying the economy by incorporating more secondary and tertiary economic activities, tertiary education needs to be prioritised through bursary programmes.
- Water supply potential. Water supply in the area is limited and any developments need to take cognisance of this limitation and implement environmentally friendly and water-efficient building, manufacturing and farming technologies.
- Power supply. The Karoo Hoogland LM faces the same energy constraints as the rest of South Africa, placing a limitation on any extremely energy intensive projects. Furthermore, the dispersed nature of the area is reflected by the energy distribution grid and new developments in previously underdeveloped areas will need to take cognisance of costs related to extending distribution systems

The Namakwa DM has a number of projects that aim to support overall LED within the District, including a Business Database which is up and running, an active LED Forum, and an active SEDA. There are plans in place to undertake road shows aimed at informing the public of available business development and business support services available to Local SMMEs and entrepreneurs.

#### **4.6 KPA 3: FINANCIAL VIABILITY**

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This Key Performance Area is without any doubt the most important one since no business or organization can fulfil its obligations without financial resources and sound financial management. The performance of Karoo Hoogland during the year under review must be benchmarked against previous years.

While the 2008/9 and 2009/10 and especially 2010/11 saw a major improvement in the financial results and the audit opinion the 2011/12 and 2012/13 showed a drastic decline in both the administration and financial viability of the council.

One of the key issues identified for the sustainability Karoo Hoogland Municipality is “expanding its revenue in relation to its costs and its financial viability, whilst implementing its mandate”. The responsive key is “effective, efficient, coordinated financial management and increased revenue – enabling EMLM to deliver its mandate”. The plans and strategies detailed in this chapter will contribute to the achievement of this objective.

The application of sound financial management principles for the compilation of the municipality’s financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Budget and IDP were approved within the time limits and further financial constraints were put in place to ensure that the Municipality can adhere to its obligations. The municipality is still depending on grants for any major projects.

For Karoo Hoogland Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Growth in the KHM and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the KHM.

The following table is a summary of the 2015 / 2016 MTREF (classified by main revenue source):

TABLE BELOW SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE

NC066 Karoo Hoogland - Table A4 Budgeted Financial Performance (revenue and expenditure)

WCCO Karoo Hoofstad - Table A4 Budgeted Financial Performance (Revenue and Expenditure)

| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Revenue By Source</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2   | 3,643           | 4,181           | 4,499           | 4,862                | 4,862           | 4,862              | -                 | 5,950   | 6,301                  | 6,654                  |
| Property rates - penalties & collection charges                      |     | 219             | 254             | 262             |                      |                 |                    |                   | -   |                        |                        |
| Service charges - electricity revenue                                | 2   | 6,020           | 6,657           | 7,000           | 8,669                | 8,669           | 8,669              | -                 | 9,250   | 9,796                  | 10,344                 |
| Service charges - water revenue                                      | 2   | 1,467           | 1,898           | 2,022           | 2,700                | 2,700           | 2,700              | -                 | 2,900   | 3,071                  | 3,243                  |
| Service charges - sanitation revenue                                 | 2   | 2,557           | 3,126           | 3,089           | 3,493                | 3,493           | 3,493              | -                 | 3,308   | 3,503                  | 3,699                  |
| Service charges - refuse revenue                                     | 2   | -               | -               | -               | -                    | -               | -                  | -                 | 2,780   | 2,944                  | 3,109                  |
| Service charges - other  |     |                 |                 |                 |                      |                 |                    |                   | 8   | 8                      | 9                      |
| Rental of facilities and equipment                                   |     | 760             | 712             | 695             |                      |                 |                    |                   | 497   | 526                    | 556                    |
| Interest earned - external investments                               |     | 113             | 26              | 146             | -                    | -               | -                  |                   | 215   | 228                    | 240                    |
| Interest earned - outstanding debtors                                |     | 320             | 409             | 526             |                      |                 |                    |                   | 948   | 1,004                  | 1,060                  |
| Dividends received   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Fines  |     | 5               | 5               | 6               |                      |                 |                    |                   | 5   | 5                      | 5                      |
| Licences and permits   |     | 2               | 81              | 79              |                      |                 |                    |                   | 20  | 21                     | 22                     |
| Agency services  |     | 207             | 223             | 221             |                      |                 |                    |                   | 243   | 257                    | 272                    |
| Transfers recognised - operational                                   |     | 38,141          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             |                   | 21,176  | 20,938                 | 21,794                 |
| Other revenue  | 2   | 174             | 687             | 277             | 2,341                | 2,341           | 2,341              | -                 | 595   | 630                    | 665                    |
| Gains on disposal of PPE   |     |                 |                 | 235             |                      |                 |                    |                   | 50  | 53                     | 56                     |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>53,629</b>   | <b>49,930</b>   | <b>36,930</b>   | <b>39,468</b>        | <b>39,468</b>   | <b>39,468</b>      | <b>-</b>          | <b>47,945</b>                                       | <b>49,286</b>          | <b>51,729</b>          |

**TABLE BELOW OPERATING TRANSFERS AND GRANT RECEIPTS**

NC066 Karoo Hoogland - Supporting Table SA18 Transfers and grant receipts

| Description   | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>RECEIPTS:</b>                                    | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>               |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | -               | -               | 16,438          | 17,403               | 17,403          | 17,403             | 19,542  | 19,208                 | 19,967                 |
| Local Government Equitable Share                    |      |                 |                 | 13,898          | 14,669               | 14,669          | 14,669             | 15,812  | 16,426                 | 17,034                 |
| Finance Management                                  |      |                 |                 | 1,650           | 1,800                | 1,800           | 1,800              | 1,800   | 1,825                  | 1,900                  |
| Municipal Systems Improvement                       |      |                 |                 | 890             | 934                  | 934             | 934                | 930   | 957                    | 1,033                  |
| EPWP Incentive                                      |      |                 |                 |                 |                      |                 |                    | 1,000   | -                      | -                      |
| Other transfers/grants [insert description]         |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                              |      | -               | -               | -               | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Library Grant                                       |      |                 |                 |                 | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>         | 5    | -               | -               | 16,438          | 18,118               | 18,118          | 18,118             | 21,176  | 20,938                 | 21,794                 |
| <b>Capital Transfers and Grants</b>                 |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                |      |                 |                 | 10,805          | 8,890                | 8,890           | 8,890              | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                |      |                 |                 | 1,000           | 1,000                | 1,000           | 1,000              |   |                        |                        |
| Regional Bulk Infrastructure                        |      |                 |                 |                 | 600                  | 600             | 600                |   |                        |                        |
| Other capital transfers/grants [insert desc]        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description] |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>           | 5    | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     |      | -               | -               | 28,243          | 28,608               | 28,608          | 28,608             | 29,181  | 29,073                 | 30,123                 |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the KHM.

The percentage increase Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the

control of the KHM. Discounting the impact of these price increases in lower consumer tariffs will erode the KHM's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the KHM is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the KHM has undertaken the tariff setting process relating to service charges as follows.

## PROPOSED TARIFFS

The proposed tariffs are set out in **Annexure A** to the report.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;



- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

### **SALE OF WATER AND IMPACT OF TARRIF INCREAS**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The tariff structure of the 2015 / 2016 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption at a higher rate.

### **SALE OF ELECTRICITY AND IMPACT OF TARRIF INCREAS**

NERSA has announced the revised bulk electricity pricing structure. A 14.24 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by 12.20 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth

in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2015. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The KHM has entered into discussions with NERSA regarding the suitability of the NERSA proposed stepped tariffs compared to those already being implemented by the KHM. Until the discussions are concluded, the KHM will maintain the current structure of its electricity tariffs.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the KHM. Most of the suburbs and inner KHM reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Fraserburg electricity network has therefore become a strategic priority, especially the substations and transmission lines.

The approved budget for the Electricity Division can only be utilized for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R15 million over five years will be necessary to steer the KHM out of this predicament.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

### **SANITATION AND IMPACT OF TARRIF INCREASE**

A tariff increase of 6 percent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 5 per cent of waste water treatment input costs, therefore the higher than CPI is actually needed as an increase for sanitation tariffs.

### **WASTE REMOVAL AND IMPACT OF TARRIF INCREASE**

A 6 percent increase in the waste removal tariff is proposed from 1 July 2015. This is due to the above inflation rate increase in fuel costs.

### **OVERALL IMPACT OF TARRIF INCREASE ON HOUSEHOLDS**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills will be 6 per cent.

TABLE BELOW MBRR TABLE SA14 – HOUSEHOLD BILL

NC066 Karoo Hoogland - Supporting Table SA14 Household bills

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                     |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16 % incr.                         | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| Rand/cent   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| <b>Monthly Account for Household - 'Middle Income Range'</b>                              | 1   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates  |     |                 |                 | 561.01          | 594.67               | 594.67          | 594.67             | 6.0%  | 630.77              | 667.99                 | 705.39                 |
| Electricity: Basic levy   |     |                 |                 |                 |                      |                 |                    |   | -                   | -                      | -                      |
| Electricity: Consumption  |     |                 |                 | 1,440.00        | 1,546.42             | 1,546.42        | 1,546.42           | 12.2%   | 1,720.00            | 1,821.48               | 1,923.48               |
| Water: Basic levy   |     |                 |                 | 55.00           | 60.50                | 60.50           | 60.50              | 6.0%  | 64.14               | 67.92                  | 71.73                  |
| Water: Consumption  |     |                 |                 | 131.61          | 144.77               | 144.77          | 144.77             | 6.0%  | 160.71              | 170.19                 | 179.72                 |
| Sanitation  |     |                 |                 | 90.00           | 96.30                | 96.30           | 96.30              | 6.0%  | 102.82              | 108.89                 | 114.98                 |
| Refuse removal  |     |                 |                 | 85.59           | 91.58                | 91.58           | 91.58              | 6.0%  | 95.40               | 101.03                 | 106.69                 |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total   |     | -               | -               | 2,363.21        | 2,534.24             | 2,534.24        | 2,534.24           | 9.5%  | 2,773.84            | 2,937.50               | 3,102.00               |
| VAT on Services   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total large household bill:   |     | -               | -               | 2,363.21        | 2,534.24             | 2,534.24        | 2,534.24           | 9.5%  | 2,773.84            | 2,937.50               | 3,102.00               |
| % increase/decrease   |     |                 |                 | -               | 7.2%                 | -               | -                  |   | 9.5%                | 5.9%                   | 5.6%                   |
| <b>Monthly Account for Household - 'Affordable Range'</b>                                 | 2   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates  |     |                 |                 | 397.21          | 421.04               | 421.04          | 421.04             | 6.0%  | 446.60              | 472.95                 | 499.43                 |
| Electricity: Basic levy   |     |                 |                 |                 |                      |                 |                    |   | -                   | -                      | -                      |
| Electricity: Consumption  |     |                 |                 | 720.00          | 733.21               | 733.21          | 733.21             | 12.2%   | 860.00              | 910.74                 | 961.74                 |
| Water: Basic levy   |     |                 |                 | 55.00           | 60.50                | 60.50           | 60.50              | 6.0%  | 64.14               | 67.92                  | 71.73                  |
| Water: Consumption  |     |                 |                 | 109.11          | 120.02               | 120.02          | 120.02             | 6.0%  | 131.36              | 139.11                 | 146.90                 |
| Sanitation  |     |                 |                 | 90.00           | 96.30                | 96.30           | 96.30              | 6.0%  | 102.08              | 108.10                 | 114.15                 |
| Refuse removal  |     |                 |                 | 85.59           | 91.58                | 91.58           | 91.58              | 6.0%  | 95.40               | 101.03                 | 106.69                 |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total   |     | -               | -               | 1,456.91        | 1,522.65             | 1,522.65        | 1,522.65           | 11.6%   | 1,699.58            | 1,799.85               | 1,900.64               |
| VAT on Services   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:   |     | -               | -               | 1,456.91        | 1,522.65             | 1,522.65        | 1,522.65           | 11.6%   | 1,699.58            | 1,799.85               | 1,900.64               |
| % increase/decrease   |     |                 |                 | -               | 4.5%                 | -               | -                  |   | 11.6%               | 5.9%                   | 5.6%                   |
| <b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b> | 3   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates  |     |                 |                 |                 |                      |                 |                    | -   | 248.62              | 263.29                 | 278.03                 |
| Electricity: Basic levy   |     |                 |                 |                 |                      |                 |                    | -   | -                   | -                      | -                      |
| Electricity: Consumption  |     |                 |                 |                 |                      |                 |                    | -   | 363.00              | 384.42                 | 405.94                 |
| Water: Basic levy   |     |                 |                 |                 |                      |                 |                    | -   | -                   | -                      | -                      |
| Water: Consumption  |     |                 |                 |                 |                      |                 |                    | -   | 77.41               | 81.98                  | 86.57                  |
| Sanitation  |     |                 |                 |                 |                      |                 |                    | -   | -                   | -                      | -                      |
| Refuse removal  |     |                 |                 |                 |                      |                 |                    | -   | -                   | -                      | -                      |
| Other   |     |                 |                 |                 |                      |                 |                    | -   | -                   | -                      | -                      |
| sub-total   |     | -               | -               | -               | -                    | -               | -                  | -   | 689.03              | 729.68                 | 770.55                 |
| VAT on Services   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:   |     | -               | -               | -               | -                    | -               | -                  | -   | 689.03              | 729.68                 | 770.55                 |
| % increase/decrease   |     |                 |                 | -               | -                    | -               | -                  |   | -                   | 5.9%                   | 5.6%                   |

## OPERATING EXPENDITURE FRAMEWORK

The KHM's expenditure framework for the 2015 / 2016 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to sanitation and streets.

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015 / 2016 budget and MTREF (classified per main type of operating expenditure):

**Table 1 Summary of operating expenditure by standard classification item**

| <b>Expenditure By Type</b>   |      |                |                |                 |                 |                 |                 |          |               |               |               |
|--|------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------|---------------|---------------|---------------|
| Employee related costs   | 2    | 17,718         | 18,599         | 17,202          | 18,157          | 18,157          | 18,157          | -        | 17,352        | 18,419        | 19,496        |
| Remuneration of councillors  |      | 1,321          | 1,640          | 1,691           | 1,973           | 1,973           | 1,973           |          | 2,394         | 2,102         | 2,225         |
| Debt impairment  | 3    | 2,040          |                | 1,328           | 2,841           | 2,841           | 2,841           |          | 2,340         | 2,478         | 2,617         |
| Depreciation & asset impairment                                      | 2    | 14,115         | 15,033         | 15,464          | 14,653          | 14,653          | 14,653          | -        | 400           | 424           | 447           |
| Finance charges  |      | 551            | 677            | 507             | -               | -               | -               |          | 305           | 305           | 305           |
| Bulk purchases   | 2    | 4,952          | 5,085          | 6,542           | 6,800           | 6,800           | 6,800           | -        | 7,615         | 8,064         | 8,516         |
| Other materials  | 8    | 2,195          | 1,604          | 956             | 1,181           | 1,181           | 1,181           |          | 2,028         | 1,882         | 1,660         |
| Contracted services  |      | -              | -              | -               | -               | -               | -               | -        | 1,950         | 2,065         | 2,181         |
| Transfers and grants   |      | 11,484         | 7,477          | 3               | -               | -               | -               | -        | -             | -             | -             |
| Other expenditure  | 4, 5 | 5,129          | 4,198          | 9,724           | 7,482           | 7,482           | 7,482           | -        | 13,451        | 13,365        | 14,040        |
| Loss on disposal of PPE  |      |                |                |                 |                 |                 |                 |          |               |               |               |
| <b>Total Expenditure</b>   |      | <b>59,505</b>  | <b>54,311</b>  | <b>53,416</b>   | <b>53,087</b>   | <b>53,087</b>   | <b>53,087</b>   | <b>-</b> | <b>47,834</b> | <b>49,103</b> | <b>51,486</b> |
| <b>Surplus/(Deficit)</b>   |      | <b>(5,876)</b> | <b>(4,381)</b> | <b>(16,486)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>-</b> | <b>111</b>    | <b>183</b>    | <b>243</b>    |
| Transfers recognised - capital                                       |      | 3              | 1              | 12,059          |                 |                 |                 |          |               |               |               |
| Contributions recognised - capital                                   | 6    | -              | -              | -               | -               | -               | -               | -        | -             | -             | -             |
| Contributed assets   |      |                |                |                 |                 |                 |                 |          |               |               |               |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |      | <b>(5,873)</b> | <b>(4,380)</b> | <b>(4,427)</b>  | <b>(13,619)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>-</b> | <b>111</b>    | <b>183</b>    | <b>243</b>    |
| Taxation   |      |                |                |                 |                 |                 |                 |          |               |               |               |
| <b>Surplus/(Deficit) after taxation</b>                              |      | <b>(5,873)</b> | <b>(4,380)</b> | <b>(4,427)</b>  | <b>(13,619)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>-</b> | <b>111</b>    | <b>183</b>    | <b>243</b>    |
| Attributable to minorities   |      |                |                |                 |                 |                 |                 |          |               |               |               |
| <b>Surplus/(Deficit) attributable to municipality</b>                |      | <b>(5,873)</b> | <b>(4,380)</b> | <b>(4,427)</b>  | <b>(13,619)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>-</b> | <b>111</b>    | <b>183</b>    | <b>243</b>    |
| Share of surplus/ (deficit) of associate                             | 7    |                |                |                 |                 |                 |                 |          |               |               |               |
| <b>Surplus/(Deficit) for the year</b>                                |      | <b>(5,873)</b> | <b>(4,380)</b> | <b>(4,427)</b>  | <b>(13,619)</b> | <b>(13,619)</b> | <b>(13,619)</b> | <b>-</b> | <b>111</b>    | <b>183</b>    | <b>243</b>    |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

NC066 Karoo Hoogland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description        | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand                                 | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue - Standard</b>                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 35,513          | 29,419          | 27,360          | 14,104               | 14,104          | 14,104             | 12,693  | 13,285                 | 13,980                 |
| Executive and council                      |     | 4,371           | 5,519           | 4,916           | 10,640               | 10,640          | 10,640             | 1,528   | 1,618                  | 1,671                  |
| Budget and treasury office                 |     | 27,276          | 23,893          | 22,449          | 3,463                | 3,463           | 3,463              | 3,357   | 3,426                  | 3,634                  |
| Corporate services                         |     | 3,865           | 7               | (5)             | 1                    | 1               | 1                  | 7,808   | 8,241                  | 8,675                  |
| <i>Community and public safety</i>         |     | 621             | 633             | 626             | 1,188                | 1,188           | 1,188              | 2,010   | 2,128                  | 2,247                  |
| Community and social services              |     | 599             | 612             | 607             | 1,164                | 1,164           | 1,164              | 1,982   | 2,098                  | 2,216                  |
| Sport and recreation                       |     | 22              | 21              | 20              | 24                   | 24              | 24                 | 28  | 30                     | 31                     |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 0               | 1               | -               | -                    | -               | -                  | 1,011   | 11                     | 12                     |
| Planning and development                   |     | 0               | 1               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Road transport                             |     | -               | -               | -               | -                    | -               | -                  | 1,011   | 11                     | 12                     |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | 17,497          | 19,879          | 21,002          | 24,176               | 24,176          | 24,176             | 32,232  | 33,862                 | 35,490                 |
| Electricity                                |     | 7,468           | 8,341           | 8,847           | 10,679               | 10,679          | 10,679             | 12,230  | 12,686                 | 13,344                 |
| Water                                      |     | 3,790           | 4,415           | 4,743           | 5,500                | 5,500           | 5,500              | 6,289   | 6,803                  | 7,116                  |
| Waste water management                     |     | 6,240           | 7,122           | 7,411           | 7,997                | 7,997           | 7,997              | 7,159   | 7,505                  | 7,851                  |
| Waste management                           |     | -               | -               | -               | -                    | -               | -                  | 6,554   | 6,867                  | 7,179                  |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue - Standard</b>            | 2   | 53,632          | 49,931          | 48,989          | 39,468               | 39,468          | 39,468             | 47,945  | 49,286                 | 51,729                 |
| <b>Expenditure - Standard</b>              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 30,650          | 24,428          | 22,240          | 20,801               | 20,801          | 20,801             | 18,635  | 19,234                 | 19,984                 |
| Executive and council                      |     | 5,268           | 4,601           | 4,375           | 5,132                | 5,132           | 5,132              | 8,280   | 8,266                  | 8,719                  |
| Budget and treasury office                 |     | 25,310          | 19,795          | 13,452          | 10,315               | 10,315          | 10,315             | 9,307   | 9,856                  | 10,092                 |
| Corporate services                         |     | 72              | 31              | 4,413           | 5,354                | 5,354           | 5,354              | 1,049   | 1,111                  | 1,173                  |
| <i>Community and public safety</i>         |     | 2,583           | 1,975           | 2,257           | 2,199                | 2,199           | 2,199              | 2,957   | 3,132                  | 3,307                  |
| Community and social services              |     | 1,248           | 479             | 838             | 1,309                | 1,309           | 1,309              | 2,027   | 2,148                  | 2,270                  |
| Sport and recreation                       |     | 1,317           | 1,485           | 1,376           | 860                  | 860             | 860                | 930   | 983                    | 1,037                  |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | 17              | 10              | 44              | 30                   | 30              | 30                 | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 12,563          | 12,834          | 12,430          | 11,717               | 11,717          | 11,717             | 2,839   | 1,998                  | 2,109                  |
| Planning and development                   |     | 138             | 114             | 152             | 75                   | 75              | 75                 | -   | -                      | -                      |
| Road transport                             |     | 12,425          | 12,721          | 12,278          | 11,642               | 11,642          | 11,642             | 2,839   | 1,998                  | 2,109                  |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | 13,709          | 15,075          | 16,489          | 18,370               | 18,370          | 18,370             | 23,402  | 24,739                 | 26,086                 |
| Electricity                                |     | 6,844           | 6,839           | 8,132           | 9,296                | 9,296           | 9,296              | 11,802  | 12,454                 | 13,111                 |
| Water                                      |     | 2,694           | 3,754           | 4,060           | 3,620                | 3,620           | 3,620              | 3,331   | 3,529                  | 3,727                  |
| Waste water management                     |     | 4,171           | 4,482           | 4,298           | 5,454                | 5,454           | 5,454              | 4,832   | 5,117                  | 5,404                  |
| Waste management                           |     | -               | -               | -               | -                    | -               | -                  | 3,437   | 3,640                  | 3,844                  |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure - Standard</b>        | 3   | 59,505          | 54,311          | 53,416          | 53,087               | 53,087          | 53,087             | 47,834  | 49,103                 | 51,486                 |
| <b>Surplus/(Deficit) for the year</b>      |     | (5,873)         | (4,380)         | (4,427)         | (13,619)             | (13,619)        | (13,619)           | 111   | 183                    | 243                    |

The budgeted allocation for employee related costs for the 2015/ 2016 financial year totals

R 17.3 million, which equals 36 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 4.4 per cent for the 2015 / 2016 financial year. An annual increase of 6.15 and 5.85 per cent has been included in the two outer years of the MTREF as per Circular 75.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has not yet been taken into account in compiling the KHM's budget.

The provision of debt impairment was determined based on an annual collection rate of 83 per cent and the Debt Write-off Policy of the KHM. For the 2015 / 2016 financial year this amount equates to R2.3 million and escalates to R2.6 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard should have been a total of R19,12 million for the 2015 / 2016 financial year. It can however not be cash backed and therefore R 400 000 was budgeted. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases of 14.24% have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6 per cent for 2015 / 2016 and curbed at 5.9 and 5.6 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 100).

The following graph gives a breakdown of the main expenditure categories for the 2015 / 2016 financial year.

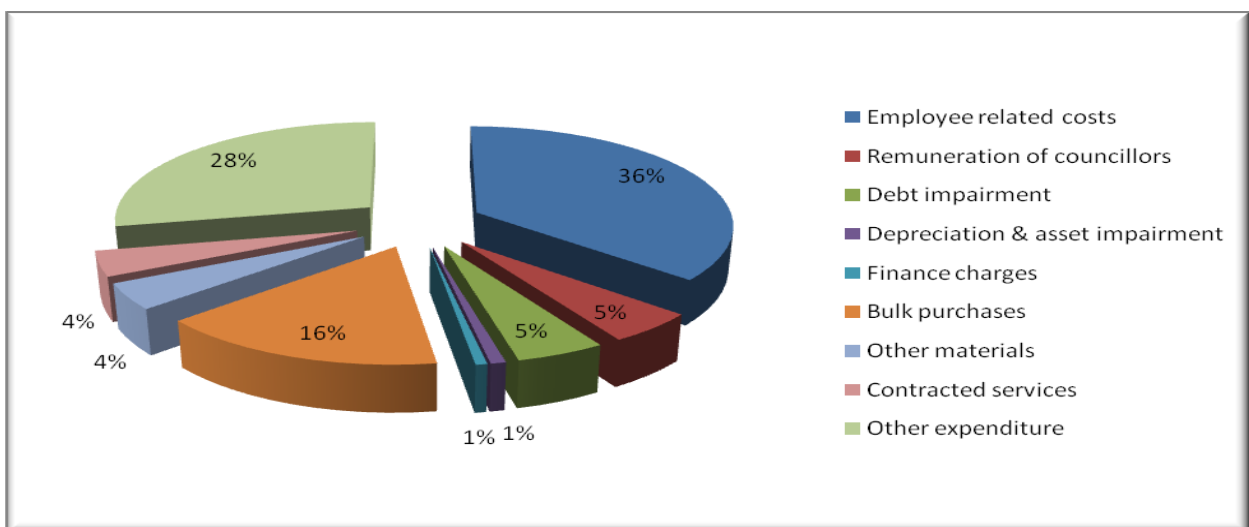


FIGURE 1 MAIN OPERATIONAL EXPENDITURE CATEGORIES FOR THE 2015 / 2016 FINANCIAL YEAR

## PRIORITY GIVEN TO REPAIRS AND MAINTENANCE

Aligned to the priority being given to preserving and maintaining the KHM's current infrastructure, the 2015 / 2016 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the KHM. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

For the 2015 / 2016 financial year, only R2 m will be spent on maintenance of infrastructure assets. This is still considered to be insufficient to maintain the assets adequately.

### **FREE BASIC SERVICES: BASIC SOCIAL SERVICE PACKAGE**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the KHM's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

### **CAPITAL EXPENDITURE**

Due to financial constraints, it was not possible to provide funding for capital projects from our own sources. Only two projects could be included which are funded from National Grants.:

|                               |                    |
|-------------------------------|--------------------|
| <b>Fraserburg Storm Water</b> | <b>R 3 800 000</b> |
| <b>Streets All towns</b>      | <b>R 4 205 000</b> |

### **ANNUAL BUDGET TABLES - PARENT MUNICIPALITY**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015 / 2016 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

#### **Table 2 MBRR Table A1 - Budget Summary**

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

NC066 Karoo Hoogland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| NC006 Kairoo Hooigand - Supporting Table SAT Supporting detail to Budgeted Financial Performance |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| REVENUE ITEMS:   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Property rates</u>  | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property Rates   |     | 3,643           | 4,181           | 4,499           | 4,862                | 4,862           | 4,862              |                   | 8,550   | 9,054                  | 9,561                  |
| less Revenue Foregone  |     |                 |                 |                 |                      |                 |                    |                   | 2,600   | 2,753                  | 2,908                  |
| Net Property Rates   |     | 3,643           | 4,181           | 4,499           | 4,862                | 4,862           | 4,862              | -                 | 5,950   | 6,301                  | 6,654                  |
| <u>Service charges - electricity revenue</u>   | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - electricity revenue  |     | 6,020           | 6,657           | 7,000           | 8,669                | 8,669           | 8,669              |                   | 9,250   | 9,796                  | 10,344                 |
| less Revenue Foregone  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - electricity revenue  |     | 6,020           | 6,657           | 7,000           | 8,669                | 8,669           | 8,669              | -                 | 9,250   | 9,796                  | 10,344                 |
| <u>Service charges - water revenue</u>   | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - water revenue  |     | 1,467           | 1,898           | 2,022           | 2,700                | 2,700           | 2,700              |                   | 2,900   | 3,071                  | 3,243                  |
| less Revenue Foregone  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - water revenue  |     | 1,467           | 1,898           | 2,022           | 2,700                | 2,700           | 2,700              | -                 | 2,900   | 3,071                  | 3,243                  |
| <u>Service charges - sanitation revenue</u>  | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - sanitation revenue   |     | 2,557           | 3,126           | 3,089           | 3,493                | 3,493           | 3,493              |                   | 3,308   | 3,503                  | 3,699                  |
| less Revenue Foregone  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - sanitation revenue   |     | 2,557           | 3,126           | 3,089           | 3,493                | 3,493           | 3,493              | -                 | 3,308   | 3,503                  | 3,699                  |
| <u>Service charges - refuse revenue</u>  | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total refuse removal revenue   |     |                 |                 |                 |                      |                 |                    |                   | 2,780   | 2,944                  | 3,109                  |
| Total landfill revenue   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - refuse revenue   |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,780   | 2,944                  | 3,109                  |
| <u>Other Revenue by source</u>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List other revenue by source   |     | 174             | 687             | 277             | 2,341                | 2,341           | 2,341              |                   |   |                        |                        |
| LG Seta  |     |                 |                 |                 |                      |                 |                    |                   | 150   | 159                    | 168                    |
| Other  |     |                 |                 |                 |                      |                 |                    |                   | 445   | 471                    | 497                    |
|  | 3   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total 'Other' Revenue  | 1   | 174             | 687             | 277             | 2,341                | 2,341           | 2,341              | -                 | 595   | 630                    | 665                    |

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the KHM's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
4. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
5. Capital expenditure is balanced by capital funding sources, of which



- a. Transfers recognised is reflected on the Financial Performance Budget;
  - b. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
  - c. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
6. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.
7. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

**TABLE BELOW MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)**

NC066 Karoo Hoogland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description        | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand                                 | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue - Standard</b>                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 35,513          | 29,419          | 27,360          | 14,104               | 14,104          | 14,104             | 12,693  | 13,285                 | 13,980                 |
| Executive and council                      |     | 4,371           | 5,519           | 4,916           | 10,640               | 10,640          | 10,640             | 1,528   | 1,618                  | 1,671                  |
| Budget and treasury office                 |     | 27,276          | 23,893          | 22,449          | 3,463                | 3,463           | 3,463              | 3,357   | 3,426                  | 3,634                  |
| Corporate services                         |     | 3,865           | 7               | (5)             | 1                    | 1               | 1                  | 7,808   | 8,241                  | 8,675                  |
| <i>Community and public safety</i>         |     | 621             | 633             | 626             | 1,188                | 1,188           | 1,188              | 2,010   | 2,128                  | 2,247                  |
| Community and social services              |     | 599             | 612             | 607             | 1,164                | 1,164           | 1,164              | 1,982   | 2,098                  | 2,216                  |
| Sport and recreation                       |     | 22              | 21              | 20              | 24                   | 24              | 24                 | 28  | 30                     | 31                     |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 0               | 1               | -               | -                    | -               | -                  | 1,011   | 11                     | 12                     |
| Planning and development                   |     | 0               | 1               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Road transport                             |     | -               | -               | -               | -                    | -               | -                  | 1,011   | 11                     | 12                     |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | 17,497          | 19,879          | 21,002          | 24,176               | 24,176          | 24,176             | 32,232  | 33,862                 | 35,490                 |
| Electricity                                |     | 7,468           | 8,341           | 8,847           | 10,679               | 10,679          | 10,679             | 12,230  | 12,686                 | 13,344                 |
| Water                                      |     | 3,790           | 4,415           | 4,743           | 5,500                | 5,500           | 5,500              | 6,289   | 6,803                  | 7,116                  |
| Waste water management                     |     | 6,240           | 7,122           | 7,411           | 7,997                | 7,997           | 7,997              | 7,159   | 7,505                  | 7,851                  |
| Waste management                           |     | -               | -               | -               | -                    | -               | -                  | 6,554   | 6,867                  | 7,179                  |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue - Standard</b>            | 2   | <b>53,632</b>   | <b>49,931</b>   | <b>48,989</b>   | <b>39,468</b>        | <b>39,468</b>   | <b>39,468</b>      | <b>47,945</b>                                       | <b>49,286</b>          | <b>51,729</b>          |
| <b>Expenditure - Standard</b>              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 30,650          | 24,428          | 22,240          | 20,801               | 20,801          | 20,801             | 18,635  | 19,234                 | 19,984                 |
| Executive and council                      |     | 5,268           | 4,601           | 4,375           | 5,132                | 5,132           | 5,132              | 8,280   | 8,266                  | 8,719                  |
| Budget and treasury office                 |     | 25,310          | 19,795          | 13,452          | 10,315               | 10,315          | 10,315             | 9,307   | 9,856                  | 10,092                 |
| Corporate services                         |     | 72              | 31              | 4,413           | 5,354                | 5,354           | 5,354              | 1,049   | 1,111                  | 1,173                  |
| <i>Community and public safety</i>         |     | 2,583           | 1,975           | 2,257           | 2,199                | 2,199           | 2,199              | 2,957   | 3,132                  | 3,307                  |
| Community and social services              |     | 1,248           | 479             | 838             | 1,309                | 1,309           | 1,309              | 2,027   | 2,148                  | 2,270                  |
| Sport and recreation                       |     | 1,317           | 1,485           | 1,376           | 860                  | 860             | 860                | 930   | 983                    | 1,037                  |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | 17              | 10              | 44              | 30                   | 30              | 30                 | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 12,563          | 12,834          | 12,430          | 11,717               | 11,717          | 11,717             | 2,839   | 1,998                  | 2,109                  |
| Planning and development                   |     | 138             | 114             | 152             | 75                   | 75              | 75                 | -   | -                      | -                      |
| Road transport                             |     | 12,425          | 12,721          | 12,278          | 11,642               | 11,642          | 11,642             | 2,839   | 1,998                  | 2,109                  |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | 13,709          | 15,075          | 16,489          | 18,370               | 18,370          | 18,370             | 23,402  | 24,739                 | 26,086                 |
| Electricity                                |     | 6,844           | 6,839           | 8,132           | 9,296                | 9,296           | 9,296              | 11,802  | 12,454                 | 13,111                 |
| Water                                      |     | 2,694           | 3,754           | 4,060           | 3,620                | 3,620           | 3,620              | 3,331   | 3,529                  | 3,727                  |
| Waste water management                     |     | 4,171           | 4,482           | 4,298           | 5,454                | 5,454           | 5,454              | 4,832   | 5,117                  | 5,404                  |
| Waste management                           |     | -               | -               | -               | -                    | -               | -                  | 3,437   | 3,640                  | 3,844                  |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure - Standard</b>        | 3   | <b>59,505</b>   | <b>54,311</b>   | <b>53,416</b>   | <b>53,087</b>        | <b>53,087</b>   | <b>53,087</b>      | <b>47,834</b>                                       | <b>49,103</b>          | <b>51,486</b>          |
| <b>Surplus/(Deficit) for the year</b>      |     | <b>(5,873)</b>  | <b>(4,380)</b>  | <b>(4,427)</b>  | <b>(13,619)</b>      | <b>(13,619)</b> | <b>(13,619)</b>    | <b>111</b>  | <b>183</b>             | <b>243</b>             |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

NC066 Karoo Hoogland - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

| NC006 Karoo Hoogland - Supporting Table SAS Supporting detail to Budgeted Financial Position |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| ASSETS   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Call investment deposits   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Call deposits < 90 days  |     | 355             | 367             |                 |                      |                 |                    | (622)             | -   | -                      | -                      |
| Other current investments > 90 days  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Total Call investment deposits   | 2   | 355             | 367             | -               | -                    | -               | -                  | (622)             | -   | -                      | -                      |
| Consumer debtors   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Consumer debtors   |     | 4,015           | 6,918           | 1,670           | 5,245                | 5,245           | 5,245              | 122               | 20,088  | 21,273                 | 22,465                 |
| Less: Provision for debt impairment  |     |                 |                 |                 |                      |                 |                    |                   | (12,480)  | (13,216)               | (13,957)               |
| Total Consumer debtors   | 2   | 4,015           | 6,918           | 1,670           | 5,245                | 5,245           | 5,245              | 122               | 7,608   | 8,057                  | 8,508                  |
| Debt impairment provision  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Balance at the beginning of the year   |     |                 |                 |                 |                      |                 |                    |                   | (10,140)  | (12,480)               | (14,958)               |
| Contributions to the provision   |     |                 |                 |                 |                      |                 |                    |                   | (2,340)   | (2,478)                | (2,617)                |
| Bad debts written off  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Balance at end of year   |     | -               | -               | -               | -                    | -               | -                  | -                 | (12,480)  | (14,958)               | (17,575)               |
| Property, plant and equipment (PPE)  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| PPE at cost/valuation (excl. finance leases)   |     | 163,710         | 159,827         | 158,622         | 148,037              | 148,037         | 148,037            | 5                 | 167,522   | 177,405                | 187,340                |
| Leases recognised as PPE   | 3   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less: Accumulated depreciation   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property, plant and equipment (PPE)  | 2   | 163,710         | 159,827         | 158,622         | 148,037              | 148,037         | 148,037            | 5                 | 167,522   | 177,405                | 187,340                |
| LIABILITIES  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current liabilities - Borrowing  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans (other than bank overdraft)   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current portion of long-term liabilities   |     | 68              | 68              | 83              | 142                  | 142             | 142                |                   | 305   | 305                    | 305                    |
| Total Current liabilities - Borrowing  |     | 68              | 68              | 83              | 142                  | 142             | 142                | -                 | 305   | 305                    | 305                    |
| Trade and other payables   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Trade and other creditors  |     | 10,789          | 11,217          | 7,785           | 5,238                | 5,238           | 5,238              | 1,453             | 7,407   | 7,844                  | 8,284                  |
| Unspent conditional transfers  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| VAT  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Trade and other payables   | 2   | 10,789          | 11,217          | 7,785           | 5,238                | 5,238           | 5,238              | 1,453             | 7,407   | 7,844                  | 8,284                  |
| Non current liabilities - Borrowing  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing  | 4   | 2,329           | 2,329           | 2,170           | 2,808                | 2,808           | 2,808              |                   | 2,488   | 2,323                  | 2,149                  |
| Finance leases (including PPP asset element)   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Non current liabilities - Borrowing  |     | 2,329           | 2,329           | 2,170           | 2,808                | 2,808           | 2,808              | -                 | 2,488   | 2,323                  | 2,149                  |
| Provisions - non-current   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Retirement benefits  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List other major provision items   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Refuse landfill site rehabilitation  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other  |     | 3,615           | 3,995           | 3,823           | 3,336                | 3,336           | 3,336              |                   | 2,340   | 2,478                  | 2,617                  |
| Total Provisions - non-current   |     | 3,615           | 3,995           | 3,823           | 3,336                | 3,336           | 3,336              | -                 | 2,340   | 2,478                  | 2,617                  |
| CHANGES IN NET ASSETS  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit)  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit) - opening balance  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| GRAP adjustments   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Restated balance   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit)  |     | (5,873)         | (4,380)         | (4,427)         | (13,619)             | (13,619)        | (13,619)           | -                 | 111   | 183                    | 243                    |
| Appropriations to Reserves   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers from Reserves  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Depreciation offsets   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other adjustments  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit)  | 1   | (5,873)         | (4,380)         | (4,427)         | (13,619)             | (13,619)        | (13,619)           | -                 | 111   | 183                    | 243                    |
| Reserves   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing Development Fund   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital replacement  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Self-insurance   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other reserves   |     | 171,874         |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Revaluation  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Reserves   | 2   | 171,874         | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| TOTAL COMMUNITY WEALTH/EQUITY  | 2   | 166,001         | (4,380)         | (4,427)         | (13,619)             | (13,619)        | (13,619)           | -                 | 111   | 183                    | 243                    |

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

TABLE BELOW MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

NC066 Karoo Hoogland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| NC000 Karoo Hoogland - Supporting Table 3A4 Reconciliation of IDP Strategic objectives and budget (revenue) |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|--------|
| Strategic Objective   | Goal  | Goal Code | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |        |
|   |   |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |        |
| R thousand  |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
| Service Delivery  | To enhance sustainable service delivery through infrastructure development  |           |     | 53,632          | 49,931          | 48,989          | 30,505               | 30,505          | 30,505             | 43,025  | 44,075                 | 46,227                 |        |
| Local Economic Development  | The successful implementation of the LED Strategy<br>Address social challenges that hinder economic development   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
| Financial Viability   | The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity   |           |     |                 |                 |                 | 3,463                | 3,463           | 3,463              | 3,307   | 3,502                  | 3,698                  |        |
| Municipal Transformation and Organizational Development   | To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP                                      |           |     |                 |                 |                 | 5,500                | 5,500           | 5,500              | 1,578   | 1,671                  | 1,765                  |        |
| Good Governance   | To actively involve the public in local government<br>To monitor and evaluate the performance of council in terms of its PMS<br><br>Community Participation |           |     |                 |                 |                 |                      |                 |                    | 35  | 37                     | 39                     |        |
| Allocations to other priorities   |   |           |     | 2               |                 |                 |                      |                 |                    |   |                        |                        |        |
| Total Revenue (excluding capital transfers and contributions)   |   |           |     | 1               | 53,632          | 49,931          | 48,989               | 39,468          | 39,468             | 39,468  | 47,945                 | 49,286                 | 51,729 |

**TABLE BELOW MBRR TABLE A5 - BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE**

|                                      |   |        |        |        |        |        |        |       |       |       |       |
|--------------------------------------|---|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|
| Capital Expenditure - Standard       |   |        |        |        |        |        |        |       |       |       |       |
| Governance and administration        |   | 204    | 38     | 12     | -      | -      | -      | -     | -     | -     |       |
| Executive and council                |   | 204    | 38     | 12     |        |        |        |       |       |       |       |
| Budget and treasury office           |   | -      |        |        |        |        |        |       |       |       |       |
| Corporate services                   |   |        |        |        |        |        |        |       |       |       |       |
| Community and public safety          |   | -      | -      | -      | -      | -      | -      | -     | -     | -     |       |
| Community and social services        |   |        |        |        |        |        |        |       |       |       |       |
| Sport and recreation                 |   |        |        |        |        |        |        |       |       |       |       |
| Public safety                        |   |        |        |        |        |        |        |       |       |       |       |
| Housing                              |   |        |        |        |        |        |        |       |       |       |       |
| Health                               |   |        |        |        |        |        |        |       |       |       |       |
| Economic and environmental services  |   | -      | -      | -      | -      | -      | -      | 4,205 | 8,135 | 8,329 |       |
| Planning and development             |   |        |        |        |        |        |        |       |       |       |       |
| Road transport                       |   |        |        |        |        |        |        | 4,205 | 8,135 | 8,329 |       |
| Environmental protection             |   |        |        |        |        |        |        |       |       |       |       |
| Trading services                     |   | 14,907 | 10,996 | 10,267 | 10,490 | 10,490 | 10,490 | -     | 3,800 | -     |       |
| Electricity                          |   | -      |        | 3,328  | 1,000  | 1,000  | 1,000  |       |       |       |       |
| Water                                |   | 14,722 | 10,996 | 4,978  | 600    | 600    | 600    | 3,800 |       |       |       |
| Waste water management               |   | 185    |        | 1,961  | 8,890  | 8,890  | 8,890  |       |       |       |       |
| Waste management                     |   |        |        |        |        |        |        |       |       |       |       |
| Other                                |   |        |        |        |        |        |        |       |       |       |       |
| Total Capital Expenditure - Standard | 3 | 15,111 | 11,034 | 10,279 | 10,490 | 10,490 | 10,490 | -     | 8,005 | 8,135 | 8,329 |
| Funded by:                           |   |        |        |        |        |        |        |       |       |       |       |
| National Government                  |   | 15,111 | 11,034 | 10,267 | 10,490 | 10,490 | 10,490 |       | 8,005 | 8,135 | 8,329 |
| Provincial Government                |   |        |        |        |        |        |        |       |       |       |       |
| District Municipality                |   |        |        |        |        |        |        |       |       |       |       |
| Other transfers and grants           |   |        |        |        |        |        |        |       |       |       |       |
| Transfers recognised - capital       | 4 | 15,111 | 11,034 | 10,267 | 10,490 | 10,490 | 10,490 | -     | 8,005 | 8,135 | 8,329 |
| Public contributions & donations     | 5 |        |        |        |        |        |        |       |       |       |       |
| Borrowing                            | 6 |        |        |        |        |        |        |       |       |       |       |
| Internally generated funds           |   |        |        | 12     |        |        |        |       |       |       |       |
| Total Capital Funding                | 7 | 15,111 | 11,034 | 10,279 | 10,490 | 10,490 | 10,490 | -     | 8,005 | 8,135 | 8,329 |

TABLE BELOW MBRR TABLE A6 - BUDGETED FINANCIAL POSITION

NC066 Karoo Hoogland - Table A6 Budgeted Financial Position

| Description                              |   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |         |
|--|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|---------|
| R thousand                               |   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |         |
| ASSETS                                   |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Current assets                           |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Cash                                     |   |     | 1,935           | 356             | 3,131           |                      |                 |                    |                   | 2,780   | 2,944                  | 3,109                  |         |
| Call investment deposits                 | 1 |     | 355             | 367             | -               | -                    | -               | -                  | (622)             | -   | -                      | -                      |         |
| Consumer debtors                         | 1 |     | 4,015           | 6,918           | 1,670           | 5,245                | 5,245           | 5,245              | 122               | 7,608   | 8,057                  | 8,508                  |         |
| Other debtors                            |   |     | 724             | 416             | 416             |                      |                 |                    | (443)             |   |                        |                        |         |
| Current portion of long-term receivables |   |     | 3               | 3               |                 |                      |                 |                    |                   |   |                        |                        |         |
| Inventory                                | 2 |     | 11              | 16              | 22              |                      |                 |                    |                   | 24  | 26                     | 27                     |         |
| Total current assets                     |   |     | 7,042           | 8,076           | 5,238           | 5,245                | 5,245           | 5,245              | (942)             | 10,412  | 11,027                 | 11,644                 |         |
| Non current assets                       |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Long-term receivables                    |   |     | 1,154           |                 |                 |                      |                 |                    | 273               |   |                        |                        |         |
| Investments                              |   |     | -               |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Investment property                      |   |     | 18,122          | 18,086          | 18,050          |                      |                 |                    |                   | 18,050  | 18,050                 | 18,050                 |         |
| Investment in Associate                  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Property, plant and equipment            | 3 |     | 163,710         | 159,827         | 158,622         | 148,037              | 148,037         | 148,037            | 5                 | 167,522   | 177,405                | 187,340                |         |
| Agricultural                             |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Biological                               |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Intangible                               |   |     | 873             | 794             | 714             |                      |                 |                    |                   | 757   | 801                    | 846                    |         |
| Other non-current assets                 |   |     |                 | 1,154           | 5,508           |                      |                 |                    |                   |   |                        |                        |         |
| Total non current assets                 |   |     | 183,859         | 179,860         | 182,893         | 148,037              | 148,037         | 148,037            | 279               | 186,328   | 196,257                | 206,236                |         |
| TOTAL ASSETS                             |   |     | 190,901         | 187,936         | 188,132         | 153,282              | 153,282         | 153,282            | (664)             | 196,741   | 207,283                | 217,880                |         |
| LIABILITIES                              |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Current liabilities                      |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Bank overdraft                           | 1 |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |         |
| Borrowing                                | 4 |     | 68              | 68              | 83              | 142                  | 142             | 142                | -                 | 305   | 305                    | 305                    |         |
| Consumer deposits                        |   |     | 429             | 299             | 285             |                      |                 |                    | 0                 | 295   | 295                    | 295                    |         |
| Trade and other payables                 | 4 |     | 10,789          | 11,217          | 7,785           | 5,238                | 5,238           | 5,238              | 1,453             | 7,407   | 7,844                  | 8,284                  |         |
| Provisions                               |   |     | 1,798           | 2,103           | 1,885           |                      |                 |                    |                   | 2,340   | 2,478                  | 2,617                  |         |
| Total current liabilities                |   |     | 13,083          | 13,686          | 10,038          | 5,380                | 5,380           | 5,380              | 1,454             | 10,347  | 10,923                 | 11,501                 |         |
| Non current liabilities                  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Borrowing                                |   |     | 2,329           | 2,329           | 2,170           | 2,808                | 2,808           | 2,808              | -                 | 2,488   | 2,323                  | 2,149                  |         |
| Provisions                               |   |     | 3,615           | 3,995           | 3,823           | 3,336                | 3,336           | 3,336              | -                 | 2,340   | 2,478                  | 2,617                  |         |
| Total non current liabilities            |   |     | 5,944           | 6,324           | 5,993           | 6,144                | 6,144           | 6,144              | -                 | 4,828   | 4,801                  | 4,766                  |         |
| TOTAL LIABILITIES                        |   |     | 19,027          | 20,010          | 16,031          | 11,524               | 11,524          | 11,524             | 1,454             | 15,175  | 15,723                 | 16,267                 |         |
| NET ASSETS                               |   |     | 5               | 171,874         | 167,926         | 172,101              | 141,758         | 141,758            | 141,758           | (2,117)   | 181,565                | 191,560                | 201,614 |
| COMMUNITY WEALTH/EQUITY                  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| Accumulated Surplus/(Deficit)            |   |     |                 | 167,926         | 172,101         | 141,758              | 141,758         | 141,758            | (2,117)           | 181,565   | 191,560                | 201,614                |         |
| Reserves                                 | 4 |     | 171,874         | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |         |
| Minorities' interests                    |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |         |
| TOTAL COMMUNITY WEALTH/EQUITY            |   |     | 5               | 171,874         | 167,926         | 172,101              | 141,758         | 141,758            | 141,758           | (2,117)   | 181,565                | 191,560                | 201,614 |

TABLE BELOW MBRR TABLE A7 - BUDGETED CASH FLOW STATEMENT

NC066 Karoo Hoogland - Table A7 Budgeted Cash Flows

| New Kato Road - Table A7 Budgeted Cash Flows      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description                                       | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates, penalties & collection charges    |     | 12,228          | 14,932          | 18,455          | 30,635               | 30,635          | 30,635             | 13,476            | 5,950   | 6,301                  | 6,654                  |
| Service charges                                   |     |                 |                 |                 |                      |                 |                    |                   | 18,246  | 19,323                 | 20,405                 |
| Other revenue                                     |     |                 |                 |                 |                      |                 |                    |                   | 1,360   | 1,439                  | 1,520                  |
| Government - operating                            | 1   | 33,105          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             | 14,776            | 21,176  | 20,938                 | 21,794                 |
| Government - capital                              | 1   |                 |                 | 12,059          | 10,490               | 10,490          | 10,490             | 8,890             | 8,005   | 8,135                  | 8,329                  |
| Interest  |     | 433             | 37              | 146             |                      |                 |                    | 101               | 1,163   | 1,232                  | 1,301                  |
| Dividends   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                           |     | (35,012)        | (33,479)        | (35,493)        | (75,181)             | (75,181)        | (75,181)           | (29,206)          | (47,174)  | (48,440)               | (50,820)               |
| Finance charges                                   |     | (71)            | (207)           | (507)           |                      |                 |                    |                   | (305)   | (305)                  | (305)                  |
| Transfers and Grants                              | 1   |                 |                 | (625)           |                      |                 |                    | (29)              | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>10,684</b>   | <b>12,954</b>   | <b>11,908</b>   | <b>(16,653)</b>      | <b>(16,653)</b> | <b>(16,653)</b>    | <b>8,008</b>      | <b>8,420</b>  | <b>8,623</b>           | <b>8,877</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                       |     |                 |                 |                 |                      |                 |                    |                   | 50  | -                      | -                      |
| Decrease (increase) in non-current debtors        |     | 676             |                 | 941             |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) other non-current receivables |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current investments    |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                    |     | (15,111)        | (14,310)        | (10,279)        |                      |                 |                    | (7,863)           | (8,055)   | (8,135)                | (8,329)                |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(14,435)</b> | <b>(14,310)</b> | <b>(9,337)</b>  | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(7,863)</b>    | <b>(8,005)</b>                                      | <b>(8,135)</b>         | <b>(8,329)</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Borrowing long term/refinancing                   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits          |     | 249             | (130)           | (14)            |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                            |     | (261)           | (144)           | (83)            |                      |                 |                    | (81)              | (305)   | (305)                  | (305)                  |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>(11)</b>     | <b>(274)</b>    | <b>(98)</b>     | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(81)</b>       | <b>(305)</b>  | <b>(305)</b>           | <b>(305)</b>           |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>(3,762)</b>  | <b>(1,630)</b>  | <b>2,473</b>    | <b>(16,653)</b>      | <b>(16,653)</b> | <b>(16,653)</b>    | <b>63</b>         | <b>110</b>  | <b>183</b>             | <b>243</b>             |
| Cash/cash equivalents at the year begin:          | 2   | 6,052           | 2,290           | 658             |                      |                 |                    | 2,717             | 2,780   | 2,890                  | 3,073                  |
| Cash/cash equivalents at the year end:            | 2   | 2,290           | 660             | 3,131           | (16,653)             | (16,653)        | (16,653)           | 2,780             | 2,890   | 3,073                  | 3,317                  |

**TABLE BELOW MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION**

NC066 Karoo Hoogland - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description                                       | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Cash and investments available</u>             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end             | 1   | 2,290           | 660             | 3,131           | (16,653)             | (16,653)        | (16,653)           | 2,780             | 2,890   | 3,073                  | 3,317                  |
| Other current investments > 90 days               |     | 0               | 64              | -               | 16,653               | 16,653          | 16,653             | (3,402)           | (110)   | (129)                  | (208)                  |
| Non current assets - Investments                  | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash and investments available:</b>            |     | <b>2,290</b>    | <b>723</b>      | <b>3,131</b>    | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(622)</b>      | <b>2,780</b>  | <b>2,944</b>           | <b>3,109</b>           |
| <u>Application of cash and investments</u>        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Unspent conditional transfers                     |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Unspent borrowing                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Statutory requirements                            | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other working capital requirements                | 3   | 6,103           | 5,210           | 5,724           | (2,044)              | (2,044)         | (2,044)            | 1,453             | 71  | 75                     | 80                     |
| Other provisions                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long term investments committed                   | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Reserves to be backed by cash/investments         | 5   |                 |                 |                 |                      |                 |                    |                   | 400   | 424                    | 447                    |
| <b>Total Application of cash and investments:</b> |     | <b>6,103</b>    | <b>5,210</b>    | <b>5,724</b>    | <b>(2,044)</b>       | <b>(2,044)</b>  | <b>(2,044)</b>     | <b>1,453</b>      | <b>471</b>  | <b>499</b>             | <b>527</b>             |
| <b>Surplus(shortfall)</b>                         |     | <b>(3,813)</b>  | <b>(4,487)</b>  | <b>(2,592)</b>  | <b>2,044</b>         | <b>2,044</b>    | <b>2,044</b>       | <b>(2,075)</b>    | <b>2,309</b>  | <b>2,445</b>           | <b>2,582</b>           |



Table 4 MBRR Table A10 - Basic Service Delivery Measurement

NC066 Karoo Hoogland - Table A10 Basic service delivery measurement

| Description  | Ref | 2011/12 | 2012/13 | 2013/14 | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Outcome | Outcome | Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Household service targets</b>   | 1   |         |         |         |                      |                 |                    |   |                        |                        |
| <b>Water:</b>  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Piped water inside dwelling  |     | 1,532   |         |         | 1,742                | 1,742           | 1,742              | 1,855   | 1,855                  | 1,855                  |
| Piped water inside yard (but not in dwelling)                              |     | 452     |         |         | 452                  | 452             | 452                | 452   | 452                    | 452                    |
| Using public tap (at least min.service level)                              | 2   |         |         |         |                      |                 |                    |   |                        |                        |
| Other water supply (at least min.service level)                            | 4   |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 1,984   | -       | -       | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| Using public tap (< min.service level)                                     | 3   |         |         |         |                      |                 |                    |   |                        |                        |
| Other water supply (< min.service level)                                   | 4   |         |         |         |                      |                 |                    |   |                        |                        |
| No water supply  |     |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 1,984   | -       | -       | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| <b>Sanitation/sewerage:</b>  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Flush toilet (connected to sewerage)                                       |     | 299     |         |         | 299                  | 299             | 299                | 686   | 686                    | 686                    |
| Flush toilet (with septic tank)  |     | 792     |         |         | 1,002                | 1,002           | 1,002              | 791   | 791                    | 791                    |
| Chemical toilet  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Pit toilet (ventilated)  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other toilet provisions (> min.service level)                              |     |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 1,091   | -       | -       | 1,301                | 1,301           | 1,301              | 1,477   | 1,477                  | 1,477                  |
| Bucket toilet  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other toilet provisions (< min.service level)                              |     | 893     |         |         | 893                  | 893             | 893                | 830   | 830                    | 830                    |
| No toilet provisions   |     |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | 893     | -       | -       | 893                  | 893             | 893                | 830   | 830                    | 830                    |
| <b>Total number of households</b>  | 5   | 1,984   | -       | -       | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| <b>Energy:</b>   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity (at least min.service level)                                   |     |         |         |         |                      |                 |                    | 180   | 180                    | 180                    |
| Electricity - prepaid (min.service level)                                  |     | 840     |         |         | 1,052                | 1,052           | 1,052              | 1,155   | 1,155                  | 1,155                  |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 840     | -       | -       | 1,052                | 1,052           | 1,052              | 1,335   | 1,335                  | 1,335                  |
| Electricity (< min.service level)  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity - prepaid (< min. service level)                               |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other energy sources   |     |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 840     | -       | -       | 1,052                | 1,052           | 1,052              | 1,335   | 1,335                  | 1,335                  |
| <b>Refuse:</b>   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Removed at least once a week   |     | 1,984   |         |         | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 1,984   | -       | -       | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| Removed less frequently than once a week                                   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Using communal refuse dump   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Using own refuse dump  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other rubbish disposal   |     |         |         |         |                      |                 |                    |   |                        |                        |
| No rubbish disposal  |     |         |         |         |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 1,984   | -       | -       | 2,194                | 2,194           | 2,194              | 2,307   | 2,307                  | 2,307                  |
| <b>Households receiving Free Basic Service</b>                             | 7   |         |         |         |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     |         |         |         | 1,289                | 1,289           | 1,289              | 1,050   | 1,050                  | 1,050                  |
| Sanitation (free minimum level service)                                    |     |         |         |         | 995                  | 995             | 995                | 1,050   | 1,050                  | 1,050                  |
| Electricity/other energy (50kwh per household per month)                   |     |         |         |         | 995                  | 995             | 995                | 410   | 410                    | 410                    |
| Refuse (removed at least once a week)                                      |     |         |         |         | 995                  | 995             | 995                | 1,050   | 1,050                  | 1,050                  |
| <b>Cost of Free Basic Services provided (R'000)</b>                        | 8   |         |         |         |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     |         |         |         | 1,555                | 1,555           | 1,555              | 1,135   | 1,202                  | 1,269                  |
| Sanitation (free sanitation service)                                       |     |         |         |         | 1,269                | 1,269           | 1,269              | 1,240   | 1,313                  | 1,387                  |
| Electricity/other energy (50kwh per household per month)                   |     |         |         |         | 566                  | 566             | 566                | 860   | 911                    | 962                    |
| Refuse (removed once a week)   |     |         |         |         | 2,282                | 2,282           | 2,282              | 1,210   | 1,281                  | 1,353                  |
| <b>Total cost of FBS provided (minimum social package)</b>                 |     | -       | -       | -       | 5,672                | 5,672           | 5,672              | 4,445   | 4,707                  | 4,971                  |
| <b>Highest level of free service provided</b>                              |     |         |         |         |                      |                 |                    |   |                        |                        |
| Property rates (R value threshold)   |     |         |         |         | 15,000               | 15,000          | 15,000             | 15,000  | 15,000                 | 15,000                 |
| Water (kilolitres per household per month)                                 |     |         |         |         | 6                    | 6               | 6                  | 6   | 6                      | 6                      |
| Sanitation (kilolitres per household per month)                            |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation (Rand per household per month)                                  |     |         |         |         | 81                   | 81              | 81                 | 103   | 103                    | 103                    |
| Electricity (kwh per household per month)                                  |     |         |         |         | 50                   | 50              | 50                 | 50  | 50                     | 50                     |
| Refuse (average litres per week)   |     |         |         |         | 1                    | 1               | 1                  | 1   | 1                      | 1                      |
| <b>Revenue cost of free services provided (R'000)</b>                      | 9   |         |         |         |                      |                 |                    |   |                        |                        |
| Property rates (R15 000 threshold rebate)                                  |     |         |         |         | 142                  | 142             | 142                | 460   | 487                    | 514                    |
| Property rates (other exemptions, reductions and rebates)                  |     |         |         |         | 45                   | 45              | 45                 | 45  | 47                     | 50                     |
| Water  |     |         |         |         | 1,555                | 1,555           | 1,555              | 1,135   | 1,202                  | 1,269                  |
| Sanitation   |     |         |         |         | 1,269                | 1,269           | 1,269              | 1,240   | 1,313                  | 1,387                  |
| Electricity/other energy   |     |         |         |         | 566                  | 566             | 566                | 860   | 911                    | 962                    |
| Refuse   |     |         |         |         | 2,282                | 2,282           | 2,282              | 1,210   | 1,281                  | 1,353                  |
| Municipal Housing - rental rebates   |     |         |         |         | 18                   | 18              | 18                 | 19  | 20                     | 21                     |
| Housing - top structure subsidies  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other  |     |         |         |         | 1,083                | 1,083           | 1,083              | 1,148   | 1,216                  | 1,284                  |
| <b>Total revenue cost of free services provided (total social package)</b> | 6   | -       | -       | -       | 6,960                | 6,960           | 6,960              | 6,117   | 6,478                  | 6,841                  |

## Part 2 – Supporting Documentation

### OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the KHM's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### BUDGET PROCESS OVERVIEW

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

- The Mayor tabled in Council the required the IDP and budget time schedule in August 2014. Key dates applicable to the process were:
- **January 2015** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2015** – Council to consider 2014/15 Mid-year Review;
- **February 2015**- Council to consider Adjustments Budget if necessary;
- **27 March 2014** - Tabling in Council of the draft 2015 / 2016 IDP and 2015 / 2016 MTREF for public consultation;
- **April 2015** – Public consultation;
- **May 2015** - Closing date for written comments;
- **6 to 21 May 2015** – finalization of the 2015 / 2016 IDP and 2015 / 2016 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and

- **24 May 2015** - Tabling of the 2015 / 2016 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council since January 2015

## **FINANCIAL MODELING AND KEY PLANNING DRIVERS**

As part of the compilation of the 2015 / 2016 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015 / 2016 MTREF:

- KHM growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

## **OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP**

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide public transport;
- Provide KHM planning services; and
- Maintaining the infrastructure of the KHM.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the KHM;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective KHM cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capaKHM to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

**TABLE BELOW MBRR TABLE SA4 - RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED REVENUE**

NC066 Karoo Hoogland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| Woods Karoo Hoogland - Supporting Table 5A Reconciliation of IDP Strategic Objectives and Budget (Revenue) |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|--------|
| Strategic Objective  | Goal  | Goal Code | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |        |
|  |   |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |        |
| R thousand   |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
| Service Delivery   | To enhance sustainable service delivery through infrastructure development  |           |     | 53,632          | 49,931          | 48,989          | 30,505               | 30,505          | 30,505             | 43,025  | 44,075                 | 46,227                 |        |
| Local Economic Development   | The successful implementation of the LED Strategy<br>Address social challenges that hinder economic development   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |        |
| Financial Viability  | The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity   |           |     |                 |                 |                 | 3,463                | 3,463           | 3,463              | 3,307   | 3,502                  | 3,698                  |        |
| Municipal Transformation and Organizational Development  | To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP                                      |           |     |                 |                 |                 | 5,500                | 5,500           | 5,500              | 1,578   | 1,671                  | 1,765                  |        |
| Good Governance  | To actively involve the public in local government<br>To monitor and evaluate the performance of council in terms of its PMS<br><br>Community Participation |           |     |                 |                 |                 |                      |                 |                    | 35  | 37                     | 39                     |        |
| Allocations to other priorities  |   |           |     | 2               |                 |                 |                      |                 |                    |   |                        |                        |        |
| Total Revenue (excluding capital transfers and contributions)  |   |           |     | 1               | 53,632          | 49,931          | 48,989               | 39,468          | 39,468             | 39,468  | 47,945                 | 49,286                 | 51,729 |

**TABLE 5 MBRR TABLE SA5 - RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED OPERATING EXPENDITURE**

## MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the KHM has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

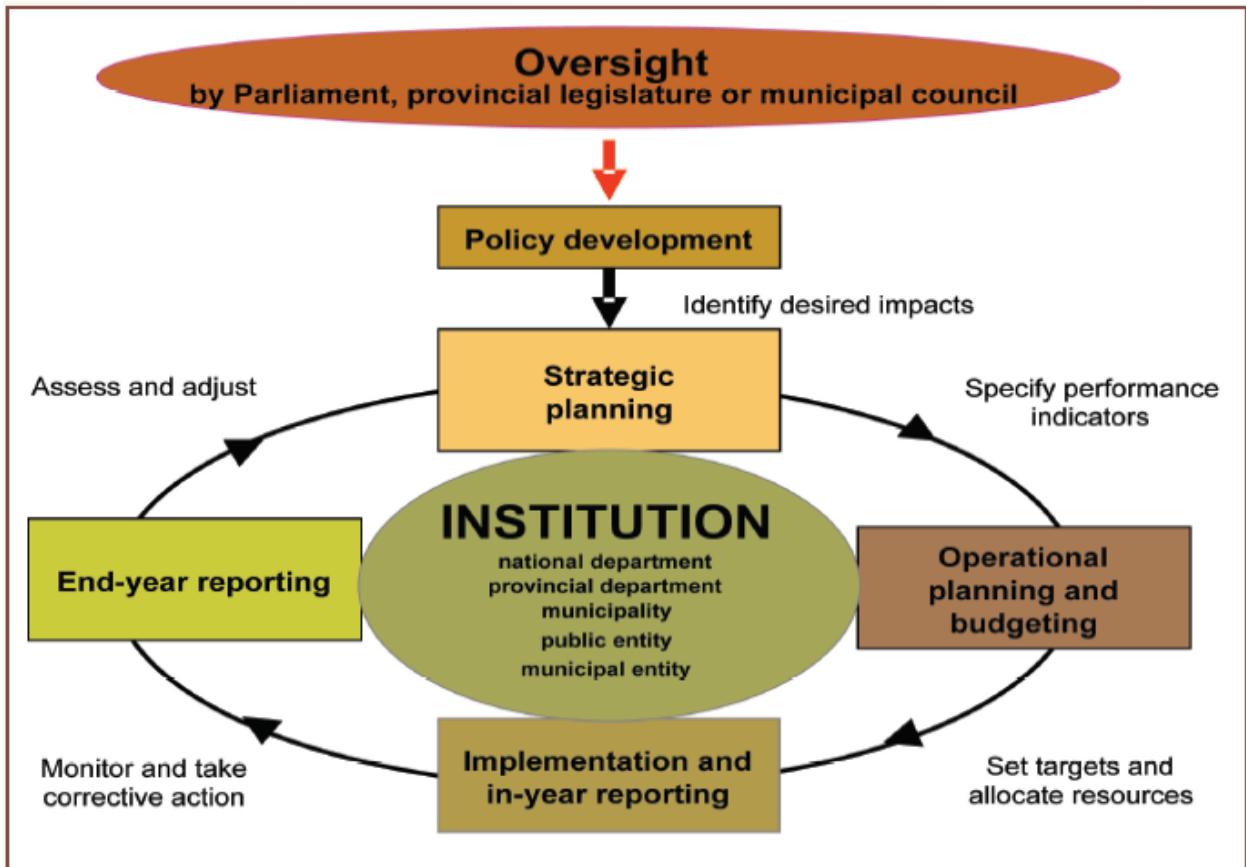


FIGURE 2 PLANNING, BUDGETING AND REPORTING CYCLE

The performance of the KHM relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The KHM therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the KHM in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

**FIGURE 3 DEFINITION OF PERFORMANCE INFORMATION CONCEPTS**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

TABLE 6 MBRR TABLE SA7 - MEASURABLE PERFORMANCE OBJECTIVES

NC066 Karoo Hoogland - Supporting Table SA7 Measureable performance objectives

| Description                         | Unit of measurement | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|                                     |                     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Vote 1 - vote name</b>           |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 1 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 2 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Vote 2 - vote name</b>           |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 1 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 2 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Vote 3 - vote name</b>           |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 1 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Function 2 - (name)                 |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 1 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 2 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub-function 3 - (name)             |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Insert measure/s description        |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|                                     |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| And so on for the rest of the Votes |                     |                 |                 |                 |                      |                 |                    |   |                        |                        |



The following table sets out the municipalities main performance objectives and benchmarks for the 2014 / 2015 MTREF.

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

NC066 Karoo Hoogland - Supporting Table SA8 Performance indicators and benchmarks

| WC000 Karoo Hoofstad - Supporting Table S16 Performance Indicators and Benchmarks |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|---|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description of financial indicator  | Basis of calculation  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|   |   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b><u>Borrowing Management</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital Charges to Operating Expenditure  | Interest & Principal Paid /Operating Expenditure  | 1.4%            | 1.5%            | 1.1%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 1.3%  | 1.2%                   | 1.2%                   |
| Capital Charges to Own Revenue  | Finance charges & Repayment of borrowing /Own Revenue   | 5.2%            | 4.5%            | 3.1%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 2.3%  | 2.2%                   | 2.0%                   |
| Borrowed funding of 'own' capital expenditure                                     | Borrowing/Capital expenditure ex cl. transfers and grants and contributions                   | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b><u>Safety of Capital</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Gearing   | Long Term Borrowing/ Funds & Reserves   | 1.4%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b><u>Liquidity</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio   | Current assets/current liabilities  | 0.5             | 0.6             | 0.5             | 1.0                  | 1.0             | 1.0                | (0.6)             | 1.0   | 1.0                    | 1.0                    |
| Current Ratio adjusted for aged debtors   | Current assets less debtors > 90 days/current liabilities                                     | 0.5             | 0.6             | 0.5             | 1.0                  | 1.0             | 1.0                | (0.6)             | 1.0   | 1.0                    | 1.0                    |
| Liquidity Ratio   | Monetary Assets/Current Liabilities   | 0.2             | 0.1             | 0.3             | -                    | -               | -                  | (0.4)             | 0.3   | 0.3                    | 0.3                    |
| <b><u>Revenue Management</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                                  | Last 12 Mths Receipts/Last 12 Mths Billing  |                 | 83.9%           | 81.9%           | 103.9%               | 138.8%          | 138.8%             | 138.8%            | 0.0%  | 96.4%                  | 96.4%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)    |   | 79.5%           | 81.9%           | 98.8%           | 138.8%               | 138.8%          | 138.8%             | 0.0%              | 96.4%   | 96.4%                  | 96.4%                  |
| Outstanding Debtors to Revenue  | Total Outstanding Debtors to Annual Revenue   | 11.0%           | 14.7%           | 5.6%            | 13.3%                | 13.3%           | 13.3%              | 0.0%              | 15.9%   | 16.3%                  | 16.4%                  |
| Longstanding Debtors Recovered  | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b><u>Creditors Management</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors System Efficiency   | % of Creditors Paid Within Terms (within MFMA' s 65(e))                                       |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors to Cash and Investments   |   | 471.2%          | 1700.3%         | 248.6%          | -31.5%               | -31.5%          | -31.5%             | 52.3%             | 256.3%  | 255.2%                 | 249.8%                 |
| <b><u>Other Indicators</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Electricity Distribution Losses (2)   | Total Volume Losses (kW)  |                 |                 |                 |                      |                 |                    |                   | 411   | 435                    | 459                    |
|   | Total Cost of Losses (Rand '000)  |                 |                 |                 |                      |                 |                    |                   | 616   | 652                    | 689                    |
|   | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water Distribution Losses (2)   | Total Volume Losses (kℓ)  |                 |                 |                 |                      |                 |                    |                   | 32  | 34                     | 36                     |
|   | Total Cost of Losses (Rand '000)  |                 |                 |                 |                      |                 |                    |                   | 170   | 180                    | 190                    |
|   | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee costs  | Employee costs/(Total Revenue - capital revenue)  | 33.0%           | 37.2%           | 46.6%           | 46.0%                | 46.0%           | 46.0%              | 0.0%              | 36.2%   | 37.4%                  | 37.7%                  |
| Remuneration  | Total remuneration/(Total Revenue - capital revenue)  | 0.0%            | 0.0%            | 65.9%           | 55.4%                | 55.4%           | 55.4%              |                   | 41.2%   | 41.6%                  | 42.0%                  |
| Repairs & Maintenance   | R&M/(Total Revenue excluding capital revenue)   | 3.0%            | 4.4%            | 2.6%            | 3.0%                 | 3.0%            | 3.0%               |                   | 4.2%  | 3.8%                   | 3.2%                   |
| Finance charges & Depreciation  | FC&D/(Total Revenue - capital revenue)  | 27.3%           | 31.5%           | 43.2%           | 37.1%                | 37.1%           | 37.1%              | 0.0%              | 1.5%  | 1.5%                   | 1.5%                   |
| <b><u>IDP regulation financial viability indicators</u></b>                       |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| i. Debt coverage  | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 85.7            | 79.6            | -               | -                    | -               | -                  | -                 | 17.4  | 17.7                   | 18.6                   |
| ii. O/S Service Debtors to Revenue  | Total outstanding service debtors/annual revenue received for services                        | 32.3%           | 43.6%           | 11.9%           | 26.6%                | 26.6%           | 26.6%              | 0.0%              | 30.8%   | 30.8%                  | 30.8%                  |
| iii. Cost coverage  | (Available cash + Investments)/monthly fixed operational expenditure                          | 0.9             | 0.3             | 1.2             | (6.0)                | (6.0)           | (6.0)              | (411.6)           | 0.9   | 0.9                    | 1.0                    |

TABLE 7 MBRR TABLE SA8 - PERFORMANCE INDICATORS AND BENCHMARKS

## PERFORMANCE INDICATORS AND BENCHMARKS

### Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Karoo Hoogland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the KHM's debt portfolio is dominated by annuity loans.

### Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the KHM has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014 / 2015 MTREF the current ratio is 1.0 in the 2015/16 financial year and for the two outer years of the MTREF it is 1.0. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 0.4 and as part of the financial planning strategy it has been increased to 0.3 in the 2015/16 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the KHM. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

### Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

## Creditors Management

- The KHM has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the KHM, which is expected to benefit the KHM in the form of more competitive pricing of tenders, as suppliers compete for the KHM's business.

## Other Indicators

- The electricity distribution losses remain at more than 9%, this is mainly due to the outdated infrastructure in Fraserburg.
- The water distribution losses cannot be calculated due to the shortage in bulk meters. This needs to be addressed urgently.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers. The percentage however is considered to be out of bounds.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the KHM's strategy to ensure the management of its asset base.

## FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE FOR INDIGENT HOUSEHOLDS

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the KHM. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 1050 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, and free refuse, sanitation and discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement)

## **PROVIDING CLEAN WATER AND MANAGING WASTE WATER**

The KHM is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. All water is generated from the KHM's own water sources, such as boreholes and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

## **OVERVIEW OF BUDGET RELATED-POLICIES**

The KHM's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

## **REVIEW OF CREDIT CONTROL AND DEBT COLLECTION PROCEDURES/POLICIES**

The Collection Policy as approved by Council in October 2008 and is reviewed annually. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, it is essential that projects implemented should create work.

The 2015 / 2016 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 82 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the KHM's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy. Currently the collection rate is only 80%.

## **ASSET MANAGEMENT, INFRASTRUCTURE INVESTMENT AND FUNDING POLICY**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the KHM's revenue base.

### **BUDGET ADJUSTMENT POLICY**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the KHM continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions. Unfortunately both these processes were derailed in the current year.

### **SUPPLY CHAIN MANAGEMENT POLICY**

The Supply Chain Management Policy was adopted by Council in September 2010. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

### **BUDGET AND VIREMENT POLICY**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the KHM's system of delegations.

### **CASH MANAGEMENT AND INVESTMENT POLICY**

The KHM's Cash Management and Investment Policy were amended by Council in January 2009. The aim of the policy is to ensure that the KHM's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

### **TARIFF POLICIES**

The KHM's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

### **FINANCIAL MODELLING AND SCENARIO PLANNING POLICY**

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2015 / 2016 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. One of the salient features of the

policy is the emphasis on financial sustainability. Amongst others, the following has to be modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the KHM's website, as well as the following budget related policies:

- Property Rates Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

## **OVERVIEW OF BUDGET ASSUMPTIONS**

### **EXTERNAL FACTORS**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the KHM's finances.

### **GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES**

There are five key factors that have been taken into consideration in the compilation of the 2015 / 2016 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on KHM's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 percent of total operating expenditure in the 2015 / 2016 MTREF and therefore this

increase above inflation places a disproportionate upward pressure on the expenditure budget.

#### **INTEREST RATES FOR BORROWING AND INVESTMENT OF FUNDS**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. No borrowing is planned for the 2015 /16 year.

#### **COLLECTION RATE FOR REVENUE SERVICES**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (83 per cent) of annual billings. Cash flow is assumed to be 83 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored. In practice the collection rate only reach 83% currently.

Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the KHM, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### **SALARY INCREASES**

A 4.4 % salary increase was negotiated nationally and Salga issued a press release on 3 March 2015

#### **IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial



interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

#### **ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES**

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015 / 2016 MTREF of which performance has been factored into the cash flow budget.

#### **OVERVIEW OF BUDGET FUNDING**

##### **MEDIUM-TERM OUTLOOK: OPERATING REVENUE**

The following table is a breakdown of the operating revenue over the medium-term:

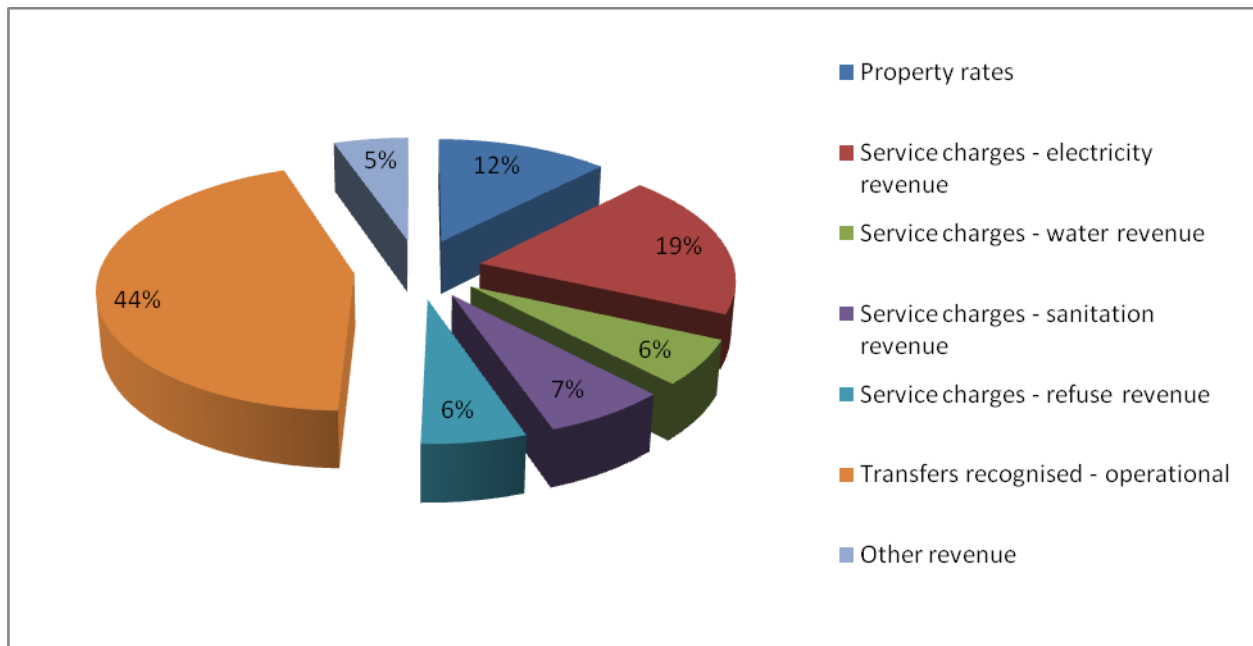
# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE BELOW BREAKDOWN OF THE OPERATING REVENUE OVER THE MEDIUM-TERM**

NC066 Karoo Hoogland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| RC000 Karoo Hoofstad - Supporting Table SA1 Supporting detail to Budgeted Financial Performance |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| REVENUE ITEMS:  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Property rates</u>   | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property Rates  |     | 3,643           | 4,181           | 4,499           | 4,862                | 4,862           | 4,862              |                   | 8,550   | 9,054                  | 9,561                  |
| less Revenue Foregone   |     |                 |                 |                 |                      |                 |                    |                   | 2,600   | 2,753                  | 2,908                  |
| Net Property Rates  |     | 3,643           | 4,181           | 4,499           | 4,862                | 4,862           | 4,862              | -                 | 5,950   | 6,301                  | 6,654                  |
| <u>Service charges - electricity revenue</u>  | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - electricity revenue   |     | 6,020           | 6,657           | 7,000           | 8,669                | 8,669           | 8,669              |                   | 9,250   | 9,796                  | 10,344                 |
| less Revenue Foregone   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - electricity revenue   |     | 6,020           | 6,657           | 7,000           | 8,669                | 8,669           | 8,669              | -                 | 9,250   | 9,796                  | 10,344                 |
| <u>Service charges - water revenue</u>  | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - water revenue   |     | 1,467           | 1,898           | 2,022           | 2,700                | 2,700           | 2,700              |                   | 2,900   | 3,071                  | 3,243                  |
| less Revenue Foregone   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - water revenue   |     | 1,467           | 1,898           | 2,022           | 2,700                | 2,700           | 2,700              | -                 | 2,900   | 3,071                  | 3,243                  |
| <u>Service charges - sanitation revenue</u>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - sanitation revenue  |     | 2,557           | 3,126           | 3,089           | 3,493                | 3,493           | 3,493              |                   | 3,308   | 3,503                  | 3,699                  |
| less Revenue Foregone   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - sanitation revenue  |     | 2,557           | 3,126           | 3,089           | 3,493                | 3,493           | 3,493              | -                 | 3,308   | 3,503                  | 3,699                  |
| <u>Service charges - refuse revenue</u>   | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total refuse removal revenue  |     |                 |                 |                 |                      |                 |                    |                   | 2,780   | 2,944                  | 3,109                  |
| Total landfill revenue  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - refuse revenue  |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,780   | 2,944                  | 3,109                  |
| <u>Other Revenue by source</u>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List other revenue by source  |     | 174             | 687             | 277             | 2,341                | 2,341           | 2,341              |                   |   |                        |                        |
| LG Seta   |     |                 |                 |                 |                      |                 |                    |                   | 150   | 159                    | 168                    |
| Other   |     |                 |                 |                 |                      |                 |                    |                   | 445   | 471                    | 497                    |
|   | 3   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total 'Other' Revenue   | 1   | 174             | 687             | 277             | 2,341                | 2,341           | 2,341              | -                 | 595   | 630                    | 665                    |

The following graph is a breakdown of the operational revenue per main category for the 2015 / 2016 financial year.



**FIGURE 4 BREAKDOWN OF OPERATING REVENUE OVER THE 2015 / 2016 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The KHM derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the KHM and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015 / 2016 MTREF on the different revenue categories are set out in

The tables below provide detail investment information and investment particulars by maturity.

### MEDIUM-TERM OUTLOOK: CAPITAL REVENUE

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

**TABLE BELOW SOURCES OF CAPITAL REVENUE OVER THE MTREF**

|                                  |          |               |               |               |               |               |               |          |              |              |              |
|----------------------------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|----------|--------------|--------------|--------------|
| <b>Funded by:</b>                |          |               |               |               |               |               |               |          |              |              |              |
| National Government              |          | 15,111        | 11,034        | 10,267        | 10,490        | 10,490        | 10,490        |          | 8,005        | 8,135        | 8,329        |
| Provincial Government            |          |               |               |               |               |               |               |          |              |              |              |
| District Municipality            |          |               |               |               |               |               |               |          |              |              |              |
| Other transfers and grants       |          |               |               |               |               |               |               |          |              |              |              |
| Transfers recognised - capital   | 4        | 15,111        | 11,034        | 10,267        | 10,490        | 10,490        | 10,490        | -        | 8,005        | 8,135        | 8,329        |
| Public contributions & donations | 5        |               |               |               |               |               |               |          |              |              |              |
| Borrowing                        | 6        |               |               |               |               |               |               |          |              |              |              |
| Internally generated funds       |          |               |               | 12            |               |               |               |          |              |              |              |
| <b>Total Capital Funding</b>     | <b>7</b> | <b>15,111</b> | <b>11,034</b> | <b>10,279</b> | <b>10,490</b> | <b>10,490</b> | <b>10,490</b> | <b>-</b> | <b>8,005</b> | <b>8,135</b> | <b>8,329</b> |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE BELOW MBRR TABLE SA 17 - DETAIL OF BORROWINGS**

NC066 Karoo Hoogland - Supporting Table SA17 Borrowing

| Borrowing - Categorized by type<br>R thousand | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Parent municipality</b>                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (annuity/reducing balance)    |     |                 |                 |                 | 2,961                | 2,961           | 2,961              | 2,488   | 2,323                  | 2,149                  |
| Long-Term Loans (non-annuity)                 |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Local registered stock                        |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Instalment Credit                             |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Financial Leases                              |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| PPP liabilities                               |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Finance Granted By Cap Equipment Supplier     |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Marketable Bonds                              |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Non-Marketable Bonds                          |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Bankers Acceptances                           |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Financial derivatives                         |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Other Securities                              |     |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| <b>Municipality sub-total</b>                 | 1   | -               | -               | -               | 2,961                | 2,961           | 2,961              | 2,488   | 2,323                  | 2,149                  |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE 8 MBRR TABLE SA 18 - CAPITAL TRANSFERS AND GRANT RECEIPTS**

NC066 Karoo Hoogland - Supporting Table SA18 Transfers and grant receipts

| Description   | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>RECEIPTS:</b>                                    | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <u>Operating Transfers and Grants</u>               |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | -               | -               | 16,438          | 17,403               | 17,403          | 17,403             | 19,542  | 19,208                 | 19,967                 |
| Local Government Equitable Share                    |      |                 |                 | 13,898          | 14,669               | 14,669          | 14,669             | 15,812  | 16,426                 | 17,034                 |
| Finance Management                                  |      |                 |                 | 1,650           | 1,800                | 1,800           | 1,800              | 1,800   | 1,825                  | 1,900                  |
| Municipal Systems Improvement                       |      |                 |                 | 890             | 934                  | 934             | 934                | 930   | 957                    | 1,033                  |
| EPWP Incentive                                      |      |                 |                 |                 |                      |                 |                    | 1,000   | -                      | -                      |
| Other transfers/grants [insert description]         |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                              |      | -               | -               | -               | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Library Grant                                       |      |                 |                 |                 | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>         | 5    | -               | -               | 16,438          | 18,118               | 18,118          | 18,118             | 21,176  | 20,938                 | 21,794                 |
| <u>Capital Transfers and Grants</u>                 |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                |      |                 |                 | 10,805          | 8,890                | 8,890           | 8,890              | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                |      |                 |                 | 1,000           | 1,000                | 1,000           | 1,000              |   |                        |                        |
| Regional Bulk Infrastructure                        |      |                 |                 |                 | 600                  | 600             | 600                |   |                        |                        |
| Other capital transfers/grants [insert desc]        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description] |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>           | 5    | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     |      | -               | -               | 28,243          | 28,608               | 28,608          | 28,608             | 29,181  | 29,073                 | 30,123                 |

## CASH FLOW MANAGEMENT

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

TABLE BELOW MBRR TABLE A7 - BUDGET CASH FLOW STATEMENT

NC066 Karoo Hoogland - Table A7 Budgeted Cash Flows

| 2015/16 Medium Term Revenue & Expenditure Framework |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description   |  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand  |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates, penalties & collection charges      |  |     | 12,228          | 14,932          | 18,455          | 30,635               | 30,635          | 30,635             | 13,476            | 5,950   | 6,301                  | 6,654                  |
| Service charges                                     |  |     |                 |                 |                 |                      |                 |                    |                   | 18,246  | 19,323                 | 20,405                 |
| Other revenue                                       |  |     |                 |                 |                 |                      |                 |                    |                   | 1,360   | 1,439                  | 1,520                  |
| Government - operating                              |  | 1   | 33,105          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             | 14,776            | 21,176  | 20,938                 | 21,794                 |
| Government - capital                                |  | 1   |                 |                 | 12,059          | 10,490               | 10,490          | 10,490             | 8,890             | 8,005   | 8,135                  | 8,329                  |
| Interest  |  |     | 433             | 37              | 146             |                      |                 |                    | 101               | 1,163   | 1,232                  | 1,301                  |
| Dividends   |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                             |  |     | (35,012)        | (33,479)        | (35,493)        | (75,181)             | (75,181)        | (75,181)           | (29,206)          | (47,174)  | (48,440)               | (50,820)               |
| Finance charges                                     |  |     | (71)            | (207)           | (507)           |                      |                 |                    |                   | (305)   | (305)                  | (305)                  |
| Transfers and Grants                                |  | 1   |                 |                 | (625)           |                      |                 |                    | (29)              | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>    |  |     | <b>10,684</b>   | <b>12,954</b>   | <b>11,908</b>   | <b>(16,653)</b>      | <b>(16,653)</b> | <b>(16,653)</b>    | <b>8,008</b>      | <b>8,420</b>  | <b>8,623</b>           | <b>8,877</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                         |  |     |                 |                 |                 |                      |                 |                    |                   | 50  | -                      | -                      |
| Decrease (Increase) in non-current debtors          |  |     | 676             |                 | 941             |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) other non-current receivables   |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) in non-current investments      |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                      |  |     | (15,111)        | (14,310)        | (10,279)        |                      |                 |                    | (7,863)           | (8,055)   | (8,135)                | (8,329)                |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>    |  |     | <b>(14,435)</b> | <b>(14,310)</b> | <b>(9,337)</b>  | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(7,863)</b>    | <b>(8,005)</b>                                      | <b>(8,135)</b>         | <b>(8,329)</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                    |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Borrowing long term/refinancing                     |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits            |  |     | 249             | (130)           | (14)            |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                              |  |     | (261)           | (144)           | (83)            |                      |                 |                    | (81)              | (305)   | (305)                  | (305)                  |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>    |  |     | <b>(11)</b>     | <b>(274)</b>    | <b>(98)</b>     | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(81)</b>       | <b>(305)</b>  | <b>(305)</b>           | <b>(305)</b>           |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>        |  |     | <b>(3,762)</b>  | <b>(1,630)</b>  | <b>2,473</b>    | <b>(16,653)</b>      | <b>(16,653)</b> | <b>(16,653)</b>    | <b>63</b>         | <b>110</b>  | <b>183</b>             | <b>243</b>             |
| Cash/cash equivalents at the year begin:            |  | 2   | 6,052           | 2,290           | 658             |                      |                 |                    | 2,717             | 2,780   | 2,890                  | 3,073                  |
| Cash/cash equivalents at the year end:              |  | 2   | 2,290           | 660             | 3,131           | (16,653)             | (16,653)        | (16,653)           | 2,780             | 2,890   | 3,073                  | 3,317                  |

The above table shows that cash and cash equivalents of the KHM are largely depleted

#### CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?

## What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**TABLE BELOW MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION**

NC066 Karoo Hoogland - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description                                       | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Cash and investments available</b>             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end             | 1   | 2,290           | 660             | 3,131           | (16,653)             | (16,653)        | (16,653)           | 2,780             | 2,890   | 3,073                  | 3,317                  |
| Other current investments > 90 days               |     | 0               | 64              | -               | 16,653               | 16,653          | 16,653             | (3,402)           | (110)   | (129)                  | (208)                  |
| Non current assets - investments                  | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash and investments available:</b>            |     | <b>2,290</b>    | <b>723</b>      | <b>3,131</b>    | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>(622)</b>      | <b>2,780</b>  | <b>2,944</b>           | <b>3,109</b>           |
| <b>Application of cash and investments</b>        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Unspent conditional transfers                     |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Unspent borrowing                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Statutory requirements                            | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other working capital requirements                | 3   | 6,103           | 5,210           | 5,724           | (2,044)              | (2,044)         | (2,044)            | 1,453             | 71  | 75                     | 80                     |
| Other provisions                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long term investments committed                   | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Reserves to be backed by cash/investments         | 5   |                 |                 |                 |                      |                 |                    |                   | 400   | 424                    | 447                    |
| <b>Total Application of cash and investments:</b> |     | <b>6,103</b>    | <b>5,210</b>    | <b>5,724</b>    | <b>(2,044)</b>       | <b>(2,044)</b>  | <b>(2,044)</b>     | <b>1,453</b>      | <b>471</b>  | <b>499</b>             | <b>527</b>             |
| <b>Surplus(shortfall)</b>                         |     | <b>(3,813)</b>  | <b>(4,487)</b>  | <b>(2,592)</b>  | <b>2,044</b>         | <b>2,044</b>    | <b>2,044</b>       | <b>(2,075)</b>    | <b>2,309</b>  | <b>2,445</b>           | <b>2,582</b>           |

It can be concluded that the KHM has a deficit against the cash backed and accumulated surpluses reconciliation. The municipality has essentially depleted all cash reserves which is a serious concern and should be considered a strategic risk to the financial stability of the KHM. As part of the planning strategy, this deficit needs to be aggressively managed downwards and as part of the medium term planning objectives. It needs to be noted that for all practical purposes the 2015 / 2016 MTREF is funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2015 / 2016 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. The challenge for the KHM will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## FUNDING COMPLIANCE MEASUREMENT

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial



performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**TABLE BELOW MBRR SA10 – FUNDING COMPLIANCE MEASUREMENT**

|   |    |         |         |          |          |          |          |         |        |        |        |
|---|----|---------|---------|----------|----------|----------|----------|---------|--------|--------|--------|
| Free Services   |    |         |         |          |          |          |          |         |        |        |        |
| Free Basic Services as a % of Equitable Share                             |    | 0.0%    | 0.0%    | 0.0%     | 38.7%    | 38.7%    | 38.7%    |         | 28.1%  | 28.7%  | 29.2%  |
| Free Services as a % of Operating Revenue<br>(excl operational transfers) |    | 0.0%    | 0.0%    | 0.0%     | 31.5%    | 31.5%    | 31.5%    |         | 22.9%  | 22.9%  | 22.9%  |
| <b>High Level Outcome of Funding Compliance</b>                           |    |         |         |          |          |          |          |         |        |        |        |
| Total Operating Revenue   |    | 53,629  | 49,930  | 36,930   | 39,468   | 39,468   | 39,468   | -       | 47,945 | 49,286 | 51,729 |
| Total Operating Expenditure   |    | 59,505  | 54,311  | 53,416   | 53,087   | 53,087   | 53,087   | -       | 47,834 | 49,103 | 51,486 |
| Surplus/(Deficit) Budgeted Operating Statement                            |    | (5,876) | (4,381) | (16,486) | (13,619) | (13,619) | (13,619) | -       | 111    | 183    | 243    |
| Surplus/(Deficit) Considering Reserves and Cash Backing                   |    | (3,813) | (4,487) | (2,592)  | 2,044    | 2,044    | 2,044    | (2,075) | 2,309  | 2,445  | 2,582  |
| MTREF Funded (1) / Unfunded (0)   | 15 | 0       | 0       | 0        | 1        | 1        | 1        | 0       | 1      | 1      | 1      |
| MTREF Funded ✓ / Unfunded *   | 15 | x       | x       | x        | ✓        | ✓        | ✓        | x       | ✓      | ✓      | ✓      |

## Cash/cash equivalent position

The KHM's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

## Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

## Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the KHM to meet monthly payments as and when they fall due. It is especially important to consider

the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. .

### **Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

### **Property Rates/service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

### **Cash receipts as a percentage of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 65, 65.3 and 65.6 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 83 per cent performance target, the cash flow statement has been overstated. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

### **Debt impairment expense as a percentage of billable revenue**

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision is considered to be insufficient.

### **Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

### **Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The KHM has budgeted for all transfers.

### **Consumer debtors change (Current and Non-current)**

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the KHM's policy of settling debtors accounts within 30 days.

### **Repairs and maintenance expenditure level**

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the KHM's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C on page 90.

### **Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which

was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

## EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

**TABLE BELOW MBRR SA19 - EXPENDITURE ON TRANSFERS AND GRANT PROGRAMMES**

NC066 Karoo Hoogland - Supporting Table SA19 Expenditure on transfers and grant programme

| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>EXPENDITURE:</b>  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                       |     | -               | -               | 16,438          | 17,403               | 17,403          | 17,403             | 19,542  | 19,208                 | 19,967                 |
| Local Government Equitable Share                           |     |                 |                 | 13,898          | 14,669               | 14,669          | 14,669             | 15,812  | 16,426                 | 17,034                 |
| Finance Management   |     |                 |                 | 1,650           | 1,800                | 1,800           | 1,800              | 1,800   | 1,825                  | 1,900                  |
| Municipal Systems Improvement                              |     |                 |                 | 890             | 934                  | 934             | 934                | 930   | 957                    | 1,033                  |
| EPWP Incentive   |     |                 |                 |                 |                      |                 |                    | 1,000   | -                      | -                      |
| Other transfers/grants [insert description]                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                                     |     | -               | -               | -               | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
|  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Library Grant  |     |                 |                 |                 | 715                  | 715             | 715                | 1,634   | 1,730                  | 1,827                  |
| District Municipality:                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total operating expenditure of Transfers and Grants</b> |     | -               | -               | 16,438          | 18,118               | 18,118          | 18,118             | 21,176  | 20,938                 | 21,794                 |
| <b>Capital expenditure of Transfers and Grants</b>         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                       |     | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                       |     |                 |                 | 10,805          | 8,890                | 8,890           | 8,890              | 8,005   | 8,135                  | 8,329                  |
| Municipal Infrastructure Grant (MIG)                       |     |                 |                 | 1,000           | 1,000                | 1,000           | 1,000              |   |                        |                        |
| Regional Bulk Infrastructure                               |     |                 |                 |                 | 600                  | 600             | 600                |   |                        |                        |
| Other capital transfers/grants [insert desc]               |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description]        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>   |     | -               | -               | 11,805          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>           |     | -               | -               | 28,243          | 28,608               | 28,608          | 28,608             | 29,181  | 29,073                 | 30,123                 |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE BELOW MBRR SA 20 - RECONCILIATION BETWEEN OF TRANSFERS, GRANT RECEIPTS AND UNSPENT FUNDS**

NC066 Karoo Hoogland - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating transfers and grants:</b>                  | 1,3 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     | 38,141          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             | 19,542  | 19,208                 | 19,967                 |
| Conditions met - transferred to revenue                 |     | 38,141          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             | 19,542  | 19,208                 | 19,967                 |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    | 1,634   | 1,730                  | 1,827                  |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | 1,634   | 1,730                  | 1,827                  |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total operating transfers and grants revenue</b>     |     | 38,141          | 31,671          | 17,872          | 17,403               | 17,403          | 17,403             | 21,176  | 20,938                 | 21,794                 |
| <b>Total operating transfers and grants - CTBM</b>      | 2   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Capital transfers and grants:</b>                    | 1,3 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     | 15,111          | 11,034          | 10,267          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Conditions met - transferred to revenue                 |     | 15,111          | 11,034          | 10,267          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total capital transfers and grants revenue</b>       |     | 15,111          | 11,034          | 10,267          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| <b>Total capital transfers and grants - CTBM</b>        | 2   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>TOTAL TRANSFERS AND GRANTS REVENUE</b>               |     | 53,252          | 42,705          | 28,139          | 27,893               | 27,893          | 27,893             | 29,181  | 29,073                 | 30,123                 |
| <b>TOTAL TRANSFERS AND GRANTS - CTBM</b>                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |

## COUNCILLOR AND EMPLOYEE BENEFITS

TABLE BELOW MBRR SA22 - SUMMARY OF COUNCILLOR AND STAFF BENEFITS

NC066 Karoo Hoogland - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration<br>R thousand | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
|   |     | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b>      | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 | 1,518           | 1,809                | 1,809           | 1,809              | 1,834   | 1,947                  | 2,062                  |
| Pension and UIF Contributions                                 |     |                 |                 | 25              | 18                   | 18              | 18                 |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   |     |                 |                 |                 |                      |                 |                    | 146   | 155                    | 163                    |
| Housing Allowances  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 |     |                 |                 | 337             | 146                  | 146             | 146                | 414   | -                      | -                      |
| <b>Sub Total - Councillors</b>                                |     | -               | -               | 1,880           | 1,973                | 1,973           | 1,973              | 2,394   | 2,102                  | 2,225                  |
| <b>% increase</b>   | 4   |                 | -               | -               | 4.9%                 | -               | -                  | 21.3%   | (12.2%)                | 5.9%                   |
| <b>Senior Managers of the Municipality</b>                    | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 | 3,803           | 3,600                | 3,600           | 3,600              | 2,325   | 2,462                  | 2,600                  |
| Pension and UIF Contributions                                 |     |                 |                 | 85              | 82                   | 82              | 82                 |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 | 317             | 296                  | 296             | 296                | -   | -                      | -                      |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>            |     | -               | -               | 4,205           | 3,978                | 3,978           | 3,978              | 2,325   | 2,462                  | 2,600                  |
| <b>% increase</b>   | 4   |                 | -               | -               | (5.4%)               | -               | -                  | (41.6%)   | 5.9%                   | 5.6%                   |
| <b>Other Municipal Staff</b>                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 | 15,377          | 13,323               | 13,323          | 13,323             | 12,411  | 13,180                 | 13,955                 |
| Pension and UIF Contributions                                 |     |                 |                 |                 | 829                  | 829             | 829                | 825   | 876                    | 928                    |
| Medical Aid Contributions                                     |     |                 |                 |                 | 312                  | 312             | 312                | 296   | 314                    | 332                    |
| Overtime  |     |                 |                 |                 | 146                  | 146             | 146                | 152   | 162                    | 171                    |
| Performance Bonus   |     |                 |                 | 1,138           | 963                  | 963             | 963                | 1,005   | 1,067                  | 1,130                  |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    | -   | -                      | -                      |
| Housing Allowances  | 3   |                 |                 |                 | 8                    | 8               | 8                  | 8   | 9                      | 9                      |
| Other benefits and allowances                                 | 3   |                 |                 | 1,724           | 339                  | 339             | 339                | 329   | 349                    | 370                    |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                      |     | -               | -               | 18,239          | 15,920               | 15,920          | 15,920             | 15,027  | 15,957                 | 16,896                 |
| <b>% increase</b>   | 4   |                 | -               | -               | (12.7%)              | -               | -                  | (5.6%)  | 6.2%                   | 5.9%                   |
| <b>Total Parent Municipality</b>                              |     | -               | -               | 24,324          | 21,871               | 21,871          | 21,871             | 19,746  | 20,521                 | 21,721                 |
|   |     |                 | -               | -               | (10.1%)              | -               | -                  | (9.7%)  | 3.9%                   | 5.9%                   |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE BELOW MBRR SA24 – SUMMARY OF PERSONNEL NUMBERS**

NC066 Karoo Hoogland - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers                                  | Ref   | 2013/14    |                     |                    | Current Year 2014/15 |                     |                    | Budget Year 2015/16 |                     |                    |
|---|-------|------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
|   |       | Positions  | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) |       | 7          |                     | 7                  | 7                    |                     | 7                  | 7                   | 7                   |                    |
| Board Members of municipal entities                           | 4     |            |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>Municipal employees</b>                                    | 5     |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | 3          |                     | 3                  | 2                    |                     | 2                  | 2                   | 2                   |                    |
| Other Managers  | 7     | 4          | 4                   |                    | 3                    | 3                   |                    |                     |                     |                    |
| Professionals   |       | -          | -                   | -                  | -                    | -                   | -                  | -                   | -                   | -                  |
| Finance   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Spatial/town planning   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Roads   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Water   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Sanitation  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Technicians   |       | 6          | 6                   | -                  | 5                    | 5                   | -                  | 5                   | 5                   | -                  |
| Finance   |       | 5          | 5                   |                    | 5                    | 5                   |                    | 5                   | 5                   |                    |
| Spatial/town planning   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Roads   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity   |       | 1          | 1                   |                    |                      |                     |                    |                     |                     |                    |
| Water   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Sanitation  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Clerks (Clerical and administrative)                          |       | 12         | 12                  |                    | 12                   | 12                  |                    | 12                  | 12                  |                    |
| Service and sales workers                                     |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Skilled agricultural and fishery workers                      |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Craft and related trades                                      |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Plant and Machine Operators                                   |       | 6          | 6                   |                    | 6                    | 6                   |                    | 5                   | 5                   |                    |
| Elementary Occupations  |       | 68         | 68                  |                    | 60                   | 60                  |                    | 58                  | 58                  |                    |
| <b>TOTAL PERSONNEL NUMBERS</b>                                | 9     | <b>106</b> | <b>96</b>           | <b>10</b>          | <b>95</b>            | <b>86</b>           | <b>9</b>           | <b>89</b>           | <b>89</b>           | <b>-</b>           |
| <b>% increase</b>   |       |            |                     |                    | (10.4%)              | (10.4%)             | (10.0%)            | (6.3%)              | 3.5%                | (100.0%)           |
| <b>Total municipal employees headcount</b>                    | 6, 10 |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Finance personnel headcount                                   | 8, 10 |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Human Resources personnel headcount                           | 8, 10 |            |                     |                    |                      |                     |                    |                     |                     |                    |

# MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 9 MBRR SA25 - BUDGETED MONTHLY REVENUE AND EXPENDITURE

NC066 Karoo Hoogland - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description   |  | Ref | Budget Year 2015/16 |         |         |         |          |          |         |          |         |         |         |         | Medium Term Revenue and Expenditure Framework |                        |                        |     |
|---|--|-----|---------------------|---------|---------|---------|----------|----------|---------|----------|---------|---------|---------|---------|---|------------------------|------------------------|-----|
| R thousand  |  |     | July                | August  | Sept.   | October | November | December | January | February | March   | April   | May     | June    | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |     |
| <b>Revenue By Source</b>                                      |  |     |                     |         |         |         |          |          |         |          |         |         |         |         |   |                        |                        |     |
| Property rates  |  |     | 4,254               | 110     | 110     | 110     | 110      | 110      | 110     | 110      | 110     | 110     | 110     | 596     | 5,950   | 6,301                  | 6,654                  |     |
| Property rates - penalties & collection charges               |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Service charges - electricity revenue                         |  |     | 971                 | 871     | 771     | 671     | 571      | 571      | 671     | 671      | 771     | 871     | 871     | 969     | 9,250   | 9,796                  | 10,344                 |     |
| Service charges - water revenue                               |  |     | 222                 | 222     | 242     | 252     | 262      | 222      | 252     | 272      | 252     | 252     | 230     | 220     | 2,900   | 3,071                  | 3,243                  |     |
| Service charges - sanitation revenue                          |  |     | 276                 | 276     | 276     | 276     | 276      | 276      | 276     | 276      | 276     | 276     | 276     | 272     | 3,308   | 3,503                  | 3,699                  |     |
| Service charges - refuse revenue                              |  |     | 232                 | 232     | 232     | 232     | 232      | 232      | 232     | 232      | 232     | 232     | 232     | 228     | 2,780   | 2,944                  | 3,109                  |     |
| Service charges - other                                       |  |     | 1                   | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1       | 1       | 1       | 1       | 8   | 8                      | 9                      |     |
| Rental of facilities and equipment                            |  |     | 41                  | 41      | 41      | 41      | 41       | 41       | 41      | 41       | 41      | 41      | 41      | 41      | 497   | 526                    | 556                    |     |
| Interest earned - external investments                        |  |     | 18                  | 18      | 18      | 18      | 18       | 18       | 18      | 18       | 18      | 18      | 18      | 18      | 215   | 228                    | 240                    |     |
| Interest earned - outstanding debtors                         |  |     | 79                  | 79      | 79      | 79      | 79       | 79       | 79      | 79       | 79      | 79      | 79      | 79      | 948   | 1,004                  | 1,060                  |     |
| Dividends received  |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Fines   |  |     | 0                   | 0       | 0       | 0       | 0        | 0        | 0       | 0        | 0       | 0       | 0       | (0)     | 5   | 5                      | 5                      |     |
| Licences and permits  |  |     | 2                   | 2       | 2       | 2       | 2        | 2        | 2       | 2        | 2       | 2       | 2       | 2       | 20  | 21                     | 22                     |     |
| Agency services   |  |     | 20                  | 20      | 20      | 20      | 20       | 20       | 20      | 20       | 20      | 20      | 20      | 20      | 243   | 257                    | 272                    |     |
| Transfers recognised - operational                            |  |     | 9,538               | 220     | 220     | 220     | 5,490    | 220      | 220     | 220      | 4,173   | 220     | 220     | 220     | 21,176  | 20,938                 | 21,794                 |     |
| Other revenue   |  |     | 50                  | 50      | 50      | 50      | 50       | 50       | 50      | 50       | 50      | 50      | 50      | 50      | 595   | 630                    | 665                    |     |
| Gains on disposal of PPE                                      |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | 50      | 50  | 53                     | 56                     |     |
| Total Revenue (excluding capital transfers and contributions) |  |     | 15,704              | 2,141   | 2,061   | 1,971   | 7,152    | 1,841    | 1,971   | 1,991    | 6,024   | 2,171   | 2,149   | 2,765   | 47,945  | 49,286                 | 51,729                 |     |
| <b>Expenditure By Type</b>                                    |  |     |                     |         |         |         |          |          |         |          |         |         |         |         |   |                        |                        |     |
| Employee related costs  |  |     | 1,446               | 1,446   | 1,446   | 1,446   | 1,446    | 1,446    | 1,446   | 1,446    | 1,446   | 1,446   | 1,446   | 1,446   | 17,352  | 18,419                 | 19,496                 |     |
| Remuneration of councillors                                   |  |     | 203                 | 203     | 203     | 203     | 203      | 203      | 203     | 203      | 203     | 203     | 203     | 161     | 2,394   | 2,102                  | 2,225                  |     |
| Debt impairment   |  |     | 195                 | 195     | 195     | 195     | 195      | 195      | 195     | 195      | 195     | 195     | 195     | 195     | 2,340   | 2,478                  | 2,617                  |     |
| Depreciation & asset impairment                               |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | 400     | 400   | 424                    | 447                    |     |
| Finance charges   |  |     | 25                  | 25      | 25      | 25      | 25       | 25       | 25      | 25       | 25      | 25      | 25      | 25      | 305   | 305                    | 305                    |     |
| Bulk purchases  |  |     | 835                 | 735     | 635     | 535     | 535      | 435      | 435     | 531      | 635     | 735     | 735     | 834     | 7,615   | 8,064                  | 8,516                  |     |
| Other materials   |  |     | 169                 | 169     | 169     | 169     | 169      | 169      | 169     | 169      | 169     | 169     | 169     | 169     | 2,028   | 1,882                  | 1,660                  |     |
| Contracted services   |  |     | 450                 | 450     | 330     | 80      | 80       | 80       | 80      | 80       | 80      | 80      | 80      | 80      | 1,950   | 2,065                  | 2,181                  |     |
| Transfers and grants  |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Other expenditure   |  |     | 1,147               | 1,147   | 1,147   | 1,147   | 1,147    | 1,147    | 1,147   | 1,147    | 1,147   | 1,147   | 1,147   | 834     | 13,451  | 13,365                 | 14,040                 |     |
| Loss on disposal of PPE                                       |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Total Expenditure   |  |     | 4,470               | 4,370   | 4,150   | 3,800   | 3,800    | 3,700    | 3,700   | 3,796    | 3,900   | 4,000   | 4,000   | 4,143   | 47,834  | 49,103                 | 51,486                 |     |
| Surplus/(Deficit)   |  |     | 11,233              | (2,229) | (2,089) | (1,829) | 3,352    | (1,859)  | (1,729) | (1,805)  | 2,124   | (1,829) | (1,851) | (1,378) | 111   | 183                    | 243                    |     |
| Transfers recognised - capital                                |  |     | 8,005               | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | (8,005) | -   | -                      | -                      |     |
| Contributions recognised - capital                            |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Contributed assets  |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Surplus/(Deficit) after capital transfers & contributions     |  |     | 19,238              | (2,229) | (2,089) | (1,829) | 3,352    | (1,859)  | (1,729) | (1,805)  | 2,124   | (1,829) | (1,851) | (9,383) | 111   | 183                    | 243                    |     |
| Taxation  |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Attributable to minorities                                    |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Share of surplus/ (deficit) of associate                      |  |     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |     |
| Surplus/(Deficit)   |  |     | 1                   | 19,238  | (2,229) | (2,089) | (1,829)  | 3,352    | (1,859) | (1,729)  | (1,805) | 2,124   | (1,829) | (1,851) | (9,383)                                       | 111                    | 183                    | 243 |



# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

NC066 Karoo Hoogland - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description                              | Ref | Budget Year 2015/16 |         |         |         |          |          |         |          |       |         |         |         | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|-----|---------------------|---------|---------|---------|----------|----------|---------|----------|-------|---------|---------|---------|---|------------------------|------------------------|
|  |     | July                | August  | Sept.   | October | November | December | January | February | March | April   | May     | June    | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                               |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Revenue by Vote                          |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Council                                  |     | 615                 | 2       | 2       | 2       | 492      | 2        | 2       | 2        | 370   | 2       | 2       | 2       | 1,494   | 1,562                  | 1,632                  |
| Finance                                  |     | 2,778               | 53      | 53      | 53      | 53       | 53       | 53      | 53       | 53    | 53      | 53      | 52      | 3,357   | 3,446                  | 3,634                  |
| Rates                                    |     | 6,521               | 20      | 20      | 20      | 461      | 20       | 20      | 20       | 351   | 20      | 20      | 20      | 7,514   | 7,930                  | 8,344                  |
| Municipal Manager                        |     | 3                   | 3       | 3       | 3       | 3        | 3        | 3       | 3        | 3     | 3       | 3       | 3       | 35  | 37                     | 39                     |
| Refuse                                   |     | 1,724               | 252     | 252     | 252     | 1,429    | 252      | 252     | 252      | 1,135 | 252     | 252     | 252     | 6,554   | 6,867                  | 7,179                  |
| Libraries                                |     | 1,634               | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 1,641   | 1,737                  | 1,835                  |
| Commonage                                |     | 25                  | 25      | 25      | 25      | 25       | 25       | 25      | 25       | 25    | 25      | 25      | 25      | 294   | 311                    | 329                    |
| Townhall & Buildings                     |     | 28                  | 28      | 28      | 28      | 28       | 28       | 28      | 28       | 28    | 28      | 28      | 28      | 333   | 353                    | 372                    |
| Cemeteries                               |     | 1                   | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 8   | 8                      | 9                      |
| Parks trees and recreation               |     | 2                   | 2       | 2       | 2       | 2        | 2        | 2       | 2        | 2     | 2       | 2       | 2       | 28  | 30                     | 31                     |
| Health                                   |     |                     |         |         |         |          |          |         |          |       |         |         | -       | -   | -                      | -                      |
| Streets and Public Works                 |     | 1,000               | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 1,011   | 11                     | 12                     |
| Electricity                              |     | 1,933               | 791     | 791     | 791     | 1,705    | 791      | 791     | 791      | 1,476 | 791     | 791     | 791     | 12,230  | 12,686                 | 13,344                 |
| Water                                    |     | 1,562               | 265     | 265     | 265     | 1,302    | 265      | 265     | 265      | 1,043 | 265     | 265     | 265     | 6,289   | 6,803                  | 7,116                  |
| Sanitation                               |     | 1,807               | 294     | 294     | 294     | 1,505    | 294      | 294     | 294      | 1,202 | 294     | 294     | 294     | 7,159   | 7,505                  | 7,851                  |
| Total Revenue by Vote                    |     | 19,632              | 1,735   | 1,735   | 1,735   | 7,006    | 1,735    | 1,735   | 1,735    | 5,688 | 1,735   | 1,735   | 1,735   | 47,945  | 49,286                 | 51,729                 |
| Expenditure by Vote to be appropriated   |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Council                                  |     | 264                 | 264     | 264     | 264     | 264      | 264      | 264     | 264      | 264   | 264     | 264     | 264     | 3,166   | 2,847                  | 2,991                  |
| Finance                                  |     | 771                 | 771     | 771     | 771     | 771      | 771      | 771     | 771      | 771   | 771     | 771     | 821     | 9,307   | 9,856                  | 10,092                 |
| Rates                                    |     | 80                  | 80      | 80      | 80      | 80       | 80       | 80      | 80       | 80    | 80      | 80      | 80      | 964   | 1,021                  | 1,078                  |
| Municipal Manager                        |     | 426                 | 426     | 426     | 426     | 426      | 426      | 426     | 426      | 426   | 426     | 426     | 426     | 5,113   | 5,420                  | 5,729                  |
| Refuse                                   |     | 286                 | 286     | 286     | 286     | 286      | 286      | 286     | 286      | 286   | 286     | 286     | 286     | 3,437   | 3,640                  | 3,844                  |
| Libraries                                |     | 137                 | 137     | 137     | 137     | 137      | 137      | 137     | 137      | 137   | 137     | 137     | 137     | 1,645   | 1,744                  | 1,843                  |
| Commonage                                |     | 7                   | 7       | 7       | 7       | 7        | 7        | 7       | 7        | 7     | 7       | 7       | 7       | 85  | 90                     | 95                     |
| Townhall & Buildings                     |     | 31                  | 31      | 31      | 31      | 31       | 31       | 31      | 31       | 31    | 31      | 31      | 31      | 375   | 397                    | 419                    |
| Cemeteries                               |     | 1                   | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 7   | 7                      | 8                      |
| Parks trees and recreation               |     | 77                  | 77      | 77      | 77      | 77       | 77       | 77      | 77       | 77    | 77      | 77      | 77      | 930   | 983                    | 1,037                  |
| Health                                   |     |                     |         |         |         |          |          |         |          |       |         |         | -       | -   | -                      | -                      |
| Streets and Public Works                 |     | 237                 | 237     | 237     | 237     | 237      | 237      | 237     | 237      | 237   | 237     | 237     | 237     | 2,839   | 1,998                  | 2,109                  |
| Electricity                              |     | 984                 | 984     | 984     | 984     | 984      | 984      | 984     | 984      | 984   | 984     | 984     | 984     | 11,802  | 12,454                 | 13,111                 |
| Water                                    |     | 278                 | 278     | 278     | 278     | 278      | 278      | 278     | 278      | 278   | 278     | 278     | 278     | 3,331   | 3,529                  | 3,727                  |
| Sanitation                               |     | 403                 | 403     | 403     | 403     | 403      | 403      | 403     | 403      | 403   | 403     | 403     | 403     | 4,832   | 5,117                  | 5,404                  |
| Total Expenditure by Vote                |     | 3,982               | 3,982   | 3,982   | 3,982   | 3,982    | 3,982    | 3,982   | 3,982    | 3,982 | 3,982   | 3,982   | 4,032   | 47,834  | 49,103                 | 51,486                 |
| Surplus/(Deficit) before assoc.          |     | 15,650              | (2,247) | (2,247) | (2,247) | 3,024    | (2,247)  | (2,247) | (2,247)  | 1,706 | (2,247) | (2,247) | (2,297) | 111   | 183                    | 243                    |
| Taxation                                 |     |                     |         |         |         |          |          |         |          |       |         |         | -       | -   | -                      | -                      |
| Attributable to minorities               |     |                     |         |         |         |          |          |         |          |       |         |         | -       | -   | -                      | -                      |
| Share of surplus/ (deficit) of associate |     |                     |         |         |         |          |          |         |          |       |         |         | -       | -   | -                      | -                      |
| Surplus/(Deficit)                        | 1   | 15,650              | (2,247) | (2,247) | (2,247) | 3,024    | (2,247)  | (2,247) | (2,247)  | 1,706 | (2,247) | (2,247) | (2,297) | 111   | 183                    | 243                    |

TABLE 10 MBRR SA26 - BUDGETED MONTHLY REVENUE AND EXPENDITURE (MUNICIPAL VOTE)

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE 11 MBRR SA27 - BUDGETED MONTHLY REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

NC066 Karoo Hoogland - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

| Description                              | Ref | Budget Year 2015/16 |         |         |         |          |          |         |          |       |         |         |         | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|-----|---------------------|---------|---------|---------|----------|----------|---------|----------|-------|---------|---------|---------|---|------------------------|------------------------|
|  |     | July                | August  | Sept.   | October | November | December | January | February | March | April   | May     | June    | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                               |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Revenue - Standard                       |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Governance and administration            |     | 9,600               | 138     | 138     | 138     | 1,066    | 138      | 138     | 138      | 837   | 138     | 138     | 82      | 12,693  | 13,285                 | 13,980                 |
| Executive and council                    |     | 618                 | 5       | 5       | 5       | 492      | 5        | 5       | 5        | 373   | 5       | 5       | 5       | 1,528   | 1,618                  | 1,671                  |
| Budget and treasury office               |     | 2,778               | 53      | 53      | 53      | 53       | 53       | 53      | 53       | 53    | 53      | 53      | 52      | 3,357   | 3,426                  | 3,634                  |
| Corporate services                       |     | 6,204               | 81      | 81      | 81      | 522      | 81       | 81      | 81       | 411   | 81      | 81      | 25      | 7,808   | 8,241                  | 8,675                  |
| Community and public safety              |     | 167                 | 167     | 167     | 167     | 167      | 167      | 167     | 167      | 167   | 167     | 167     | 167     | 2,010   | 2,128                  | 2,247                  |
| Community and social services            |     | 165                 | 165     | 165     | 165     | 165      | 165      | 165     | 165      | 165   | 165     | 165     | 165     | 1,982   | 2,098                  | 2,216                  |
| Sport and recreation                     |     | 2                   | 2       | 2       | 2       | 2        | 2        | 2       | 2        | 2     | 2       | 2       | 2       | 28  | 30                     | 31                     |
| Public safety                            |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Housing                                  |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Health                                   |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Economic and environmental services      |     | 1,000               | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 1,011   | 11                     | 12                     |
| Planning and development                 |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Road transport                           |     | 1,000               | 1       | 1       | 1       | 1        | 1        | 1       | 1        | 1     | 1       | 1       | 1       | 1,011   | 11                     | 12                     |
| Environmental protection                 |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Trading services                         |     | 7,026               | 1,601   | 1,601   | 1,601   | 5,941    | 1,601    | 1,601   | 1,601    | 4,856 | 1,601   | 1,601   | 1,601   | 32,232  | 33,862                 | 35,490                 |
| Electricity                              |     | 1,933               | 791     | 791     | 791     | 1,705    | 791      | 791     | 791      | 1,476 | 791     | 791     | 791     | 12,230  | 12,686                 | 13,344                 |
| Water                                    |     | 1,562               | 265     | 265     | 265     | 1,302    | 265      | 265     | 265      | 1,043 | 265     | 265     | 265     | 6,289   | 6,803                  | 7,116                  |
| Waste water management                   |     | 1,807               | 294     | 294     | 294     | 1,505    | 294      | 294     | 294      | 1,202 | 294     | 294     | 294     | 7,159   | 7,505                  | 7,851                  |
| Waste management                         |     | 1,724               | 252     | 252     | 252     | 1,429    | 252      | 252     | 252      | 1,135 | 252     | 252     | 252     | 6,554   | 6,867                  | 7,179                  |
| Other                                    |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Total Revenue - Standard                 |     | 17,793              | 1,908   | 1,908   | 1,908   | 7,175    | 1,908    | 1,908   | 1,908    | 5,861 | 1,908   | 1,908   | 1,851   | 47,945  | 49,286                 | 51,729                 |
| Expenditure - Standard                   |     |                     |         |         |         |          |          |         |          |       |         |         |         |   |                        |                        |
| Governance and administration            |     | 1,553               | 1,553   | 1,553   | 1,553   | 1,553    | 1,553    | 1,553   | 1,553    | 1,553 | 1,553   | 1,553   | 1,552   | 18,635  | 19,234                 | 19,984                 |
| Executive and council                    |     | 690                 | 690     | 690     | 690     | 690      | 690      | 690     | 690      | 690   | 690     | 690     | 690     | 8,280   | 8,266                  | 8,719                  |
| Budget and treasury office               |     | 776                 | 776     | 776     | 776     | 776      | 776      | 776     | 776      | 776   | 776     | 776     | 775     | 9,307   | 9,856                  | 10,092                 |
| Corporate services                       |     | 87                  | 87      | 87      | 87      | 87       | 87       | 87      | 87       | 87    | 87      | 87      | 88      | 1,049   | 1,111                  | 1,173                  |
| Community and public safety              |     | 246                 | 246     | 246     | 246     | 246      | 246      | 246     | 246      | 246   | 246     | 246     | 247     | 2,957   | 3,132                  | 3,307                  |
| Community and social services            |     | 169                 | 169     | 169     | 169     | 169      | 169      | 169     | 169      | 169   | 169     | 169     | 169     | 2,027   | 2,148                  | 2,270                  |
| Sport and recreation                     |     | 78                  | 78      | 78      | 78      | 78       | 78       | 78      | 78       | 78    | 78      | 78      | 77      | 930   | 983                    | 1,037                  |
| Public safety                            |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Housing                                  |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Health                                   |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Economic and environmental services      |     | 237                 | 237     | 237     | 237     | 237      | 237      | 237     | 237      | 237   | 237     | 237     | 237     | 2,839   | 1,998                  | 2,109                  |
| Planning and development                 |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Road transport                           |     | 237                 | 237     | 237     | 237     | 237      | 237      | 237     | 237      | 237   | 237     | 237     | 237     | 2,839   | 1,998                  | 2,109                  |
| Environmental protection                 |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Trading services                         |     | 1,950               | 1,950   | 1,950   | 1,950   | 1,950    | 1,950    | 1,950   | 1,950    | 1,950 | 1,950   | 1,950   | 1,951   | 23,402  | 24,739                 | 26,086                 |
| Electricity                              |     | 984                 | 984     | 984     | 984     | 984      | 984      | 984     | 984      | 984   | 984     | 984     | 984     | 11,802  | 12,454                 | 13,111                 |
| Water                                    |     | 278                 | 278     | 278     | 278     | 278      | 278      | 278     | 278      | 278   | 278     | 278     | 278     | 3,331   | 3,529                  | 3,727                  |
| Waste water management                   |     | 403                 | 403     | 403     | 403     | 403      | 403      | 403     | 403      | 403   | 403     | 403     | 402     | 4,832   | 5,117                  | 5,404                  |
| Waste management                         |     | 286                 | 286     | 286     | 286     | 286      | 286      | 286     | 286      | 286   | 286     | 286     | 287     | 3,437   | 3,640                  | 3,844                  |
| Other                                    |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Total Expenditure - Standard             |     | 3,986               | 3,986   | 3,986   | 3,986   | 3,986    | 3,986    | 3,986   | 3,986    | 3,986 | 3,986   | 3,986   | 3,986   | 47,834  | 49,103                 | 51,486                 |
| Surplus/(Deficit) before assoc.          |     | 13,807              | (2,078) | (2,078) | (2,078) | 3,189    | (2,078)  | (2,078) | (2,078)  | 1,875 | (2,078) | (2,078) | (2,135) | 111   | 183                    | 243                    |
| Share of surplus/ (deficit) of associate |     |                     |         |         |         |          |          |         |          |       |         |         |         | -   | -                      | -                      |
| Surplus/(Deficit)                        | 1   | 13,807              | (2,078) | (2,078) | (2,078) | 3,189    | (2,078)  | (2,078) | (2,078)  | 1,875 | (2,078) | (2,078) | (2,135) | 111   | 183                    | 243                    |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE 12 MBRR SA28 - BUDGETED MONTHLY CAPITAL EXPENDITURE (MUNICIPAL VOTE)**

NC066 Karoo Hoogland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| Description                                       | Ref | Budget Year 2015/16 |        |       |         |      |      |         |      |       |       |     |      | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|------|------|---------|------|-------|-------|-----|------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                 |     |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  | 1   |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| Council   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Finance   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Rates   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Municipal Manager                                 |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Refuse  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Libraries   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Commonage   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Townhall & Buildings                              |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Cemeteries  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Parks trees and recreation                        |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Health  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Streets and Public Works                          |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Electricity                                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Water   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Sanitation  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | 2   | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |
| <b>Single-year expenditure to be appropriated</b> |     |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| Council   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Finance   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Rates   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Municipal Manager                                 |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Refuse  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Libraries   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Commonage   |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Townhall & Buildings                              |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Cemeteries  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Parks trees and recreation                        |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Health  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Streets and Public Works                          |     | 350                 | 350    | 350   | 350     | 350  | 350  | 350     | 350  | 350   | 350   | 350 | 350  | 4,205   | 8,135                  | 8,329                  |
| Electricity                                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Water   |     | 317                 | 317    | 317   | 317     | 317  | 317  | 317     | 317  | 317   | 317   | 317 | 317  | 3,800   | -                      | -                      |
| Sanitation  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  | 2   | 667                 | 667    | 667   | 667     | 667  | 667  | 667     | 667  | 667   | 667   | 667 | 667  | 8,005   | 8,135                  | 8,329                  |
| <b>Total Capital Expenditure</b>                  | 2   | 667                 | 667    | 667   | 667     | 667  | 667  | 667     | 667  | 667   | 667   | 667 | 667  | 8,005   | 8,135                  | 8,329                  |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

TABLE 13 MBRR SA29 - BUDGETED MONTHLY CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)

NC066 Karoo Hoogland - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

| Description<br>R thousand                   | Ref | Budget Year 2015/16 |        |       |         |      |      |         |      |       |       |     |      | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|------|------|---------|------|-------|-------|-----|------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Capital Expenditure - Standard</b>       | 1   |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| <i>Governance and administration</i>        |     | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |
| Executive and council                       |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Budget and treasury office                  |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Corporate services                          |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <i>Community and public safety</i>          |     | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |
| Community and social services               |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Sport and recreation                        |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Public safety                               |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Housing                                     |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Health                                      |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <i>Economic and environmental services</i>  |     | 350                 | 350    | 350   | 350     | 350  | 350  | 350     | 350  | 350   | 350   | 350 | 350  | 4,205   | 8,135                  | 8,329                  |
| Planning and development                    |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Road transport                              |     | 350                 | 350    | 350   | 350     | 350  | 350  | 350     | 350  | 350   | 350   | 350 | 350  | 4,205   | 8,135                  | 8,329                  |
| Environmental protection                    |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <i>Trading services</i>                     |     | 317                 | 317    | 317   | 317     | 317  | 317  | 317     | 317  | 317   | 317   | 317 | 317  | 3,800   | -                      | -                      |
| Electricity                                 |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Water                                       |     | 317                 | 317    | 317   | 317     | 317  | 317  | 317     | 317  | 317   | 317   | 317 | 317  | 3,800   | -                      | -                      |
| Waste water management                      |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Waste management                            |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <i>Other</i>                                |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <b>Total Capital Expenditure - Standard</b> | 2   | 667                 | 667    | 667   | 667     | 667  | 667  | 667     | 667  | 667   | 667   | 667 | 667  | 8,005   | 8,135                  | 8,329                  |
| <b>Funded by:</b>                           |     |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| National Government                         |     | 8,005               |        |       |         |      |      |         |      |       |       |     |      | 8,005   | 8,135                  | 8,329                  |
| Provincial Government                       |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| District Municipality                       |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Other transfers and grants                  |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Transfers recognised - capital              |     | 8,005               | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | 8,005   | 8,135                  | 8,329                  |
| Public contributions & donations            |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Borrowing                                   |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| Internally generated funds                  |     |                     |        |       |         |      |      |         |      |       |       |     |      | -   | -                      | -                      |
| <b>Total Capital Funding</b>                |     | 8,005               | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | 8,005   | 8,135                  | 8,329                  |

# KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017- 2021 NC066

**TABLE 14 MBRR SA30 - BUDGETED MONTHLY CASH FLOW**

NC066 Karoo Hoogland - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS                                      | Budget Year 2015/16 |                |                |                |              |                |                |                |              |                |                |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|---------------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|---|------------------------|------------------------|
|   | July                | August         | Sept.          | October        | November     | December       | January        | February       | March        | April          | May            | June           | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Cash Receipts By Source</b>                          |                     |                |                |                |              |                |                |                |              |                |                |                | 1   |                        |                        |
| Property rates  | 4,254               | 110            | 110            | 110            | 110          | 110            | 110            | 110            | 110          | 110            | 110            | 596            | 5,950   | 6,301                  | 6,654                  |
| Property rates - penalties & collection charges         | -                   | -              | -              | -              | -            | -              | -              | -              | -            | -              | -              | -              | -   | -                      | -                      |
| Service charges - electricity revenue                   | 971                 | 871            | 771            | 671            | 571          | 571            | 671            | 671            | 771          | 871            | 871            | 969            | 9,250   | 9,796                  | 10,344                 |
| Service charges - water revenue                         | 222                 | 222            | 242            | 252            | 262          | 222            | 252            | 272            | 252          | 252            | 230            | 220            | 2,900   | 3,071                  | 3,243                  |
| Service charges - sanitation revenue                    | 276                 | 276            | 276            | 276            | 276          | 276            | 276            | 276            | 276          | 276            | 276            | 276            | 3,308   | 3,503                  | 3,699                  |
| Service charges - refuse revenue                        | 232                 | 232            | 232            | 232            | 232          | 232            | 232            | 232            | 232          | 232            | 232            | 232            | 2,780   | 2,944                  | 3,109                  |
| Service charges - other                                 | 1                   | 1              | 1              | 1              | 1            | 1              | 1              | 1              | 1            | 1              | 1              | 1              | 8   | 8                      | 9                      |
| Rental of facilities and equipment                      | 41                  | 41             | 41             | 41             | 41           | 41             | 41             | 41             | 41           | 41             | 41             | 41             | 497   | 526                    | 556                    |
| Interest earned - external investments                  | 18                  | 18             | 18             | 18             | 18           | 18             | 18             | 18             | 18           | 18             | 18             | 18             | 215   | 228                    | 240                    |
| Interest earned - outstanding debtors                   | 79                  | 79             | 79             | 79             | 79           | 79             | 79             | 79             | 79           | 79             | 79             | 79             | 948   | 1,004                  | 1,060                  |
| Dividends received                                      | -                   | -              | -              | -              | -            | -              | -              | -              | -            | -              | -              | -              | -   | -                      | -                      |
| Fines   | 0                   | 0              | 0              | 0              | 0            | 0              | 0              | 0              | 0            | 0              | 0              | 0              | 5   | 5                      | 5                      |
| Licences and permits                                    | 2                   | 2              | 2              | 2              | 2            | 2              | 2              | 2              | 2            | 2              | 2              | 2              | 20  | 21                     | 22                     |
| Agency services   | 20                  | 20             | 20             | 20             | 20           | 20             | 20             | 20             | 20           | 20             | 20             | 20             | 243   | 257                    | 272                    |
| Transfer receipts - operational                         | 9,538               | 220            | 220            | 220            | 5,490        | 220            | 220            | 220            | 4,173        | 220            | 220            | 220            | 21,176  | 20,938                 | 21,794                 |
| Other revenue   | 50                  | 50             | 50             | 50             | 50           | 50             | 50             | 50             | 50           | 50             | 50             | 50             | 595   | 630                    | 665                    |
| <b>Cash Receipts by Source</b>                          | <b>15,703</b>       | <b>2,141</b>   | <b>2,061</b>   | <b>1,971</b>   | <b>7,151</b> | <b>1,841</b>   | <b>1,971</b>   | <b>1,991</b>   | <b>6,024</b> | <b>2,171</b>   | <b>2,149</b>   | <b>2,723</b>   | <b>47,895</b>                                 | <b>49,233</b>          | <b>51,673</b>          |
| <b>Other Cash Flows by Source</b>                       |                     |                |                |                |              |                |                |                |              |                |                |                |   |                        |                        |
| Transfer receipts - capital                             | 8,005               |                |                |                |              |                |                |                |              |                |                |                | 8,005   | 8,135                  | 8,329                  |
| Contributions recognised - capital & Contributed assets |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Proceeds on disposal of PPE                             | 50                  |                |                |                |              |                |                |                |              |                |                |                | 50  |                        |                        |
| Short term loans  |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Borrowing long term/refinancing                         |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Increase (decrease) in consumer deposits                |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Decrease (increase) in non-current debtors              |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Decrease (increase) other non-current receivables       |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| Decrease (increase) in non-current investments          |                     |                |                |                |              |                |                |                |              |                |                |                | -   | -                      | -                      |
| <b>Total Cash Receipts by Source</b>                    | <b>23,758</b>       | <b>2,141</b>   | <b>2,061</b>   | <b>1,971</b>   | <b>7,151</b> | <b>1,841</b>   | <b>1,971</b>   | <b>1,991</b>   | <b>6,024</b> | <b>2,171</b>   | <b>2,149</b>   | <b>2,723</b>   | <b>55,950</b>                                 | <b>57,368</b>          | <b>60,002</b>          |
| <b>Cash Payments by Type</b>                            |                     |                |                |                |              |                |                |                |              |                |                |                |   |                        |                        |
| Employee related costs                                  | 1,446               | 1,446          | 1,446          | 1,446          | 1,446        | 1,446          | 1,446          | 1,446          | 1,446        | 1,446          | 1,446          | 1,446          | 17,352  | 18,419                 | 19,496                 |
| Remuneration of councillors                             | 203                 | 203            | 203            | 203            | 203          | 203            | 203            | 203            | 203          | 203            | 203            | 203            | 2,430   | 2,102                  | 2,225                  |
| Finance charges   | 25                  | 25             | 25             | 25             | 25           | 25             | 25             | 25             | 25           | 25             | 25             | 25             | 305   | 305                    | 305                    |
| Bulk purchases - Electricity                            | 835                 | 735            | 635            | 535            | 535          | 435            | 435            | 531            | 635          | 735            | 735            | 835            | 7,615   | 8,064                  | 8,516                  |
| Bulk purchases - Water & Sewer                          | -                   | -              | -              | -              | -            | -              | -              | -              | -            | -              | -              | -              | -   | -                      | -                      |
| Other materials   | 169                 | 169            | 169            | 169            | 169          | 169            | 169            | 169            | 169          | 169            | 169            | 169            | 2,027   | 1,882                  | 1,660                  |
| Contracted services                                     | 450                 | 450            | 330            | 80             | 80           | 80             | 80             | 80             | 80           | 80             | 80             | 80             | 1,950   | 2,065                  | 2,181                  |
| Transfers and grants - other municipalities             | -                   | -              | -              | -              | -            | -              | -              | -              | -            | -              | -              | -              | -   | -                      | -                      |
| Transfers and grants - other                            | -                   | -              | -              | -              | -            | -              | -              | -              | -            | -              | -              | -              | -   | -                      | -                      |
| Other expenditure                                       | 1,317               | 1,317          | 1,317          | 1,317          | 1,317        | 1,317          | 1,317          | 1,317          | 1,317        | 1,317          | 1,317          | 1,317          | 15,800  | 15,908                 | 16,743                 |
| <b>Cash Payments by Type</b>                            | <b>4,445</b>        | <b>4,345</b>   | <b>4,124</b>   | <b>3,775</b>   | <b>3,775</b> | <b>3,675</b>   | <b>3,675</b>   | <b>3,771</b>   | <b>3,874</b> | <b>3,975</b>   | <b>3,975</b>   | <b>4,074</b>   | <b>47,479</b>                                 | <b>48,745</b>          | <b>51,125</b>          |
| <b>Other Cash Flows/Payments by Type</b>                |                     |                |                |                |              |                |                |                |              |                |                |                |   |                        |                        |
| Capital assets  | 2,001               | 50             |                | 2,001          |              |                | 2,001          |                | 2,001        |                |                |                | 8,055   | 8,135                  | 8,329                  |
| Repayment of borrowing                                  |                     |                |                |                |              |                |                |                |              |                |                | 305            | 305   | 305                    | 305                    |
| Other Cash Flow s/Payments                              |                     |                |                |                |              |                |                |                |              |                |                | -              | -   | -                      | -                      |
| <b>Total Cash Payments by Type</b>                      | <b>6,446</b>        | <b>4,395</b>   | <b>4,124</b>   | <b>5,776</b>   | <b>3,775</b> | <b>3,675</b>   | <b>5,676</b>   | <b>3,771</b>   | <b>5,875</b> | <b>3,975</b>   | <b>3,975</b>   | <b>4,379</b>   | <b>55,839</b>                                 | <b>57,185</b>          | <b>59,759</b>          |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>             | <b>17,312</b>       | <b>(2,254)</b> | <b>(2,063)</b> | <b>(3,805)</b> | <b>3,377</b> | <b>(1,834)</b> | <b>(3,705)</b> | <b>(1,780)</b> | <b>148</b>   | <b>(1,804)</b> | <b>(1,826)</b> | <b>(1,656)</b> | <b>110</b>                                    | <b>183</b>             | <b>243</b>             |
| Cash/cash equivalents at the month/year begin:          | 2,780               | 20,092         | 17,838         | 15,775         | 11,970       | 15,347         | 13,513         | 9,808          | 8,028        | 8,177          | 6,373          | 4,547          | 2,780   | 2,890                  | 3,073                  |
| Cash/cash equivalents at the month/year end:            | 20,092              | 17,838         | 15,775         | 11,970         | 15,347       | 13,513         | 9,808          | 8,028          | 8,177        | 6,373          | 4,547          | 2,890          | 2,890   | 3,073                  | 3,317                  |

## **ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS**

### **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

In terms of the KHM's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

### **CAPITAL EXPENDITURE DETAILS**

The following three tables present details of the KHM's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**TABLE 15 MBRR SA 34a - CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS**

NC066 Karoo Hoogland - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 15,111          | 11,034          | 10,279          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |
| Infrastructure - Road transport                                   |     | -               | -               | -               | -                    | -               | -                  | 4,205   | 8,135                  | 8,329                  |
| Roads, Pavements & Bridges  |     |                 |                 |                 |                      |                 |                    | 4,205   | 8,135                  | 8,329                  |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity                                      |     | -               | -               | 3,328           | 1,000                | 1,000           | 1,000              | -   | -                      | -                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation                                       |     |                 |                 | 3,328           | 1,000                | 1,000           | 1,000              |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | 14,722          | 10,996          | 4,978           | 9,490                | 9,490           | 9,490              | 3,800   | -                      | -                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     | 14,722          | 10,996          | 4,978           | 9,490                | 9,490           | 9,490              | 3,800   |                        |                        |
| Infrastructure - Sanitation                                       |     | 185             | -               | 1,961           | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     | 185             |                 | 1,961           |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | 204             | 38              | 12              | -                    | -               | -                  | -   | -                      | -                      |
| Waste Management  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transportation  | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 3   | 204             | 38              | 12              |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Swimming pools  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Community halls   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   | 7   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   | 8   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 9   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| General vehicles  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Specialised vehicles  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Plant & equipment   | 10  | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - hardware/equipment                                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Furniture and other office equipment                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Land  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Expenditure on new assets</b>                    | 1   | 15,111          | 11,034          | 10,279          | 10,490               | 10,490          | 10,490             | 8,005   | 8,135                  | 8,329                  |

## **4.6 KPA 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

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### **Overview**

The Constitution recognises a Municipality's right to govern on its own initiative, the affairs of its Community, subject to the National and Provincial Legislation as provided for in the Constitution. It also emphasises the responsibility of Municipalities to utilise this Constitutional space prudently and in the interest of development locally. Municipalities must provide democratic and accountable government without favour or prejudice. They must furthermore use their Constitutional space by exercising their Legislative and Executive

Authority, and use the resources of the Municipality in the best interest of the Municipality and communities therein. Human capital refers to the stock of skills and knowledge embodied in the ability to perform labour so as to produce economic value optimising Human Capital within the context of Karoo Hoogland Municipality this relates to the development of skills and improvement of knowledge of employees through education and gaining relevant experience.

### **EMPLOYMENT EQUITY**

The institution has improved its employment equity as required by legislation.

### **INSTITUTIONAL POLICIES**

Karoo Hoogland Municipality has approved a number of municipal policies geared at assisting the municipal organisation to administer its affairs in a manner that complies with legislation and implement the developmental mandate of the municipality. The municipality continues to review and amend its policies to reflect changing legislative framework and policy environment. The municipality has approved the following institutional policies:

- a) Tarrif Policy
- b) Write Off Policy
- c) Indigent Policy
- d) Budget Policy
- e) Property Rates Policy
- f) Customer Care, Credit Control and Debt Collection Policy
- g) Banking, Investment and Interest Policy
- h) Borrowing Policy
- i) Subsistence and Travelling Policy
- j) Supply Chain Management Policy
- k) Unauthorised, Irregular, Fruitless and Wastefull Policy
- l) Gift and Rewards Policy

The municipality has as organisational structure that was approved by council wherein more than 90% of the vacant posts were filled. The following policies and plans were developed and approved by council viz:



- Work Skills Plan (WSP)
- Performance Management Framework
- Travelling and subsistence allowance Policy
- IT policy
- Anti- corruption Policy

Employees were enrolled to participate in various courses that will enhance and improve their skills in order to effectively execute their daily duties.

## **INSTITUTIONAL PLAN**

The municipality has developed a plan that will guide institutional activities in all the departments. It illustrates amongst others issues that the municipality will focus on in ensuring organisational development and sustainability.

### ***Institutional Plans***

**Employment equity plan:** The municipality developed employment equity policy that complies with the Labour Relations Act.

**Retention of staff:** Retention policy was developed and approved by council in order to ensure the retention of skilled personnel within the institution

**Placement of staff:** The municipality developed a placement policy including a committee that comprises of labour movements and management including the political component.

**Recruitment of staff:** Recruitment and selection policy is in place to guide the institution on issues of new employees' recruitment. There is an approved organisational structure that indicates filled and vacant posts.

**Management of assets:** Asset management policy is developed and approved by council

### **Establishment of committees:**

The municipality established committees that will deal with both administrative and political issues. Amongst others the committees established are Section 79 and 80 committees that will play an oversight role

## **SKILLS PROFILE**

The municipality conducted a skills audit in the previous financial year. The main objective was to determine which skills the municipality still needs to improve on. Employees were enrolled in various courses depending on their specific developmental/competency needs.

### **The number of personnel and trainings offered Training courses Number of personnel (GETALLE BY DAWN KRY)**

Municipal finance management  
Occupational health and safety management  
Fraud investigation  
Professional development certificate practitiona  
High certificate on ODETDP

Asset management  
Investigation of cyber crime  
Population Environment Development for IDP  
CPMD  
Municipal Performance Management  
Operators  
Customer care  
Computer literacy  
Traffic examiners

## **SKILLS REQUIRED**

The municipality has embarked on a process of training employees as required by their specific developmental/competency needs. The training that the municipality offered during the 2016/2017 financial year are those of financial management. Various other training courses were conducted across the departments of the municipality to adhere to the skills required to deliver the services.

## **LABOUR RELATIONS**

It is upon the institution to ensure that it complies with labour standards set out in the Labour Relations Act 66 of 1995. The municipality has employed personnel from diverse cultures and religions. It remains essential for the institution to treat its employees equally as one family not withstanding its core functions and responsibilities.

## **INFORMATION TECHNOLOGY**

The establishment of ICT department within Karoo Hoogland Municipality to render a service to all departments through effective, efficient and cost effective systems and equipment that enhances the performance of these departments in service delivery to inhabitants, was not budgeted for. The ICT services are being delivered by SEBATA with regard to our telephone, network and financial system. However, the setup of email and internet are being done by regular staff with a little bit of knowledge in these fields.

Council has one server on which its systems run. These systems are for financial management, document management, prepaid services, security and connectivity, communication, e-natis vehicle registration management. Council business is conducted from 16 different buildings spread over the whole servicing area including the three towns. Within the buildings a wired network connects as well as wireless network connects, the offices to a main switch connected to the servers.

The IT Department should support all system users, maintains equipment and is responsible for the purchasing of equipment either for replacement or new staff. Keeping track with technology changes is always challenging due to budget constraints. IT services are also being outsourced or contracted when needed.

## **CUSTOMER SATISFACTION AND COMPLAINS MANAGEMENT SYSTEM3**

To focus on the client's need in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relation-ship between the persons

responsible for the pay-ment for services received, and the municipality, and where applicable, any service provider.

The municipality has a complaint register in place which allow the public to report their complaints verbally, telephonically, email or online on the municipality's website. Office Managers attend to these compliants and direct to the relevanant departments. A job card system is in place to monitor the progress and the time frame in which the compliant was addressed.

## OCCUPATION HEALTH AND SAFETY

The occupational health and safety functions are located in the corporate services department. The unit is mainly dealing with the following:

### Issues dealt with by Occupational Health and Safety Unit

#### Function Description

**Employee support Programme** Employees of the municipality differ in character and behaviour.

**Employee wellness:** It remains the responsibility of the municipality to ensure that employees are medically well and fit. The OHS unit work in partnership with the department of health and labour in ensuring that safety and medical services are accessible to all employees.

**Institutional safety:** Karoo Hoogland Municipality is working closely with the department of labour in ensuring that the institution complies with safety legislations and regulations

## BYLAWS

### Approved Bylaws

| HR Policies and Plans |   |           |          |
|-----------------------|---|-----------|----------|
|                       | Name of Policy                              | Completed | Reviewed |
|                       |   | %         | %        |
| 1                     | Affirmative Action                          | 0.00%     |          |
| 2                     | Attraction and Retention                    | 0.00%     |          |
| 3                     | Code of Conduct for employees               | 100.00%   |          |
| 4                     | Delegations, Authorisation & Responsibility | 100.00%   | 100.00%  |
| 5                     | Disciplinary Code and Procedures            | 100.00%   |          |
| 6                     | Essential Services                          | 0.00%     |          |
| 7                     | Employee Assistance / Wellness              | 0.00%     |          |
| 8                     | Employment Equity                           | 0.00%     |          |
| 9                     | Exit Management                             | 0.00%     |          |
| 10                    | Grievance Procedures                        | 100.00%   |          |

|    |   |         |  |
|----|---|---------|--|
| 11 | HIV/Aids                                | 100.00% |  |
| 12 | Human Resource and Development          | 0.00%   |  |
| 13 | Information Technology                  | 50.00%  |  |
| 14 | Job Evaluation                          | 50.00%  |  |
| 15 | Leave                                   | 100.00% |  |
| 16 | Occupational Health and Safety          | 50.00%  |  |
| 17 | Official Housing                        | 0.00%   |  |
| 18 | Official Journeys                       | 0.00%   |  |
| 19 | Official transport to attend Funerals   | 0.00%   |  |
| 20 | Official Working Hours and Overtime     | 100.00% |  |
| 21 | Organisational Rights                   | 100.00% |  |
| 22 | Payroll Deductions                      | 50.00%  |  |
| 23 | Performance Management and Development  | 0.00%   |  |
| 24 | Recruitment, Selection and Appointments | 100.00% |  |
| 25 | Remuneration Scales and Allowances      | 0.00%   |  |
| 26 | Resettlement                            | 100.00% |  |
| 27 | Sexual Harassment                       | 100.00% |  |
| 28 | Skills Development                      | 0.00%   |  |
| 29 | Smoking                                 | 100.00% |  |
| 30 | Special Skills                          | 0.00%   |  |
| 31 | Work Organisation                       | 0.00%   |  |
| 32 | Uniforms and Protective Clothing        | 0.00%   |  |
| 33 | Other:                                  |         |  |

The IDP for the 2017-2018 financial year commits to develop various key municipal by-laws to create the necessary regulatory framework to improve governance.

At the local level the Karoo Hoogland Municipality should focus on ensuring the effective enforcement of bylaws including traffic whistle-blowing on corruption and fraud, and encourage the participation of council and residents in Community Policing Forums and other initiatives aimed at eliminating crime.

In addition, a new strategy for overall bylaw enforcement would be developed. The bylaw enforcement coordination would ensure that municipal bylaws are implemented in a coordinated and coherent manner and appropriate resources are Identified for such implementation.

#### **4.7 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

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##### **Communication**

The municipality has established a fully functional communication unit. A communication strategy was developed to guide the communication internally and externally. The below diagram indicate systems of communication administratively and politically.

## **Community Participation**

The medium for communication includes Municipal newsletters, Annual Report, local and National Newspapers, Ward committee system, Community Development workers (CDW's), as well as loud-hailing.

The Elias Motsoaledi Local Municipality has been incrementally increasing public participation, however there is a need to increase the number of residents and communities.

The present reliance on the intermitted and often fragmented processes of consultation and participation orchestrated through IDPs and budgeting processes are inadequate. The municipality would be revising its public participation and communication strategies. The municipality would further enhance existing IGR structures to improve public participation. The municipality sustained a good relationship with its internal and external stakeholders. Traditional leaders participate in the council meetings and also take part in the IDP consultation process through the office of the Mayor.

Other structures that participate in the IDP development are as follows:

- CPF (Community Policing Forum)
- NGO's and CBO's
- Farmers associations
- CDW's (Community Development Workers)
- ESKOM
- Sector departments and the District municipality
- Early Childhood Development Centres
- The Aged centres
- Women Caucus
- Local Aids Council
- Disability forum
- Provincial and National sector departments

## **Community participation Challenges**

- Lack of budget for communications
- Shortage of communication personnel
- Lack of working resources- branding material
- Capacity building
- No enough coverage of municipal good news- units do not submit for both newsletter, website, print
- media in general

## **Audit**

The municipality has not achieved the clean audit as expected; Audit opinion expressed was a "Qualified Opinion" however, the AG's report indicated an improvement compared to the previous financial years. The institution is working hard to achieve the 2014 clean audit target. The municipality has appointed an audit committee to assist and guide the institution in running its affairs.

## **Audit Action Plan**

Audit action Plan has been developed to deal with issues raised by the Auditor General.

## **Risk management**

The municipality established a risk management unit which is located in the municipal manager's office. The unit deals specifically with institutional risk management related matters.

## **Risk management challenges**

The municipality developed a risk management strategy that responds to risk related matters. The strategy is effectively used and implemented.

## **Anti-corruption challenges**

Anti- corruption strategy was developed to ensure that the institution adheres to compliance related legislations. The main challenge with the strategy is that it is no used effectively.

## **Programmes (Office of the Mayor)**

Through the Office of the Mayor the municipality have budgeted to support special programs for the 2017-2018 financial year that will focus and address to attend to social matters in the Karoo Hoogland municipal area however more needs to be done ton concur the social injustices. The office of the mayor will embarked on the Community Works Program (COGTHA) and One House Hould One Hectar/One Household Two Dairy Cows programme, One Rural Ward One Intergrated Development Centre (Department of Rural Development and Land Reform to address socio economic Development.

The right to food is entrenched as Constitutional mandate in RS, i) Section 27 (1b) of the Bill of Rights "every citizen has a right to have access to food and water" ii) Senction 28 (1c) every child has the right to basic nutrition, shelter, basic health care and social services", iii) Section 35 (2e) "every detained person and sentenced prisoner has a right to adequate nutrition.

The National Development Plan identifies food security and nutrition as both a consequence of poverty and inequality as well as cause. As a result the NDP makes reference to a number of steps that will improve food security and nutrition including the expanded use of irrigation security of land tenure (especially for women) the promotion of nutrition education etc.

Government of South Africa introduced the outcomes approach as a programme of action to realise service delivery. DAFF prioritises its effort on three Outcomes: 4 promoting job creation; 7 ensuring vibrant equitable and sustainable rural communities to attain food security for all and 10 environmental sustainability.

Food access by province as per STATS SA:

|                                   |           |
|-----------------------------------|-----------|
| <b>Total Population:</b>          | 1 182 000 |
| <b>Inadequate access to Food:</b> | 415 416   |
| <b>Percentage:</b>                | 35%       |

### **The Objectives of the 1HH1HA Programme:**

- Contribute to the reduction of Poverty in rural areas;
- Revive a calibre of highly productive Black Commercial Smallholder Farmers;
- Build a sense of security of tenure increase the involvement of individual household in production activities and minimizes controversies on CPI lead landed projects
- Create viable rural small to medium agricultural enterprises;
- To build competencies and broaden the skills base targeted households and communities;
- The restoration of the Social Capital and beauty of uBuntu as the currency that cements social cohesion among rural households.
- Rebuilding the sanctity and dignity of family life as most critical success factor in the Rural Socio-economic Transformation efforts of the state.

### **Benefits for the 1HH1HA Programme**

- Job creation and people employed
- Business
- Beneficiaries development
- Health benefits
- Poverty alleviation and food security
- Tenure security
- Access to land for production
- Household Income
- Access to markets
- Skills

### **Youth and the aged**

- Organise and coordinate youth programmes within the municipality
- Initiate and run youth developmental programmes
- Organise seminars and educational workshops on various issues such as health, career guidance, business management etc.
- Network with National and Provincial and District agencies aimed at youth development
- The youth are faced with a huge challenge of unemployment
- Inadequate educational facilities/institutions such as technikons, FET colleges and Universities
- Poverty alleviation programmes for the youth
- Inadequate old aged homes for the elders

### **Women**

Women across the municipality are faced with a number challenges that needs the attention of government and the society to act on and ensure better living of women. The municipality, through the Office of the Mayor, will established a Women Caucus Forum that will pay attention to issues of women. The role of the will forum is to establish and co-ordinate programmes and also deal with problematic issues that impacts negatively on women.

### **The Disabled**

While there is limited information on employment rates for the disabled, low literacy, low employment rates and widespread social stigma are making it difficult for disabled people to participate in economic activities in the municipal area. It is vital the municipality and other governmental agencies should create conditions for the disabled to access educational and employment opportunities. In addition, the municipality endeavours to facilitate:

- interventions that will include deepening preventative health programs
- screen all children at a young age
- empower disabled young adults with employable skills
- encourage the private sector to employ people with disabilities
- ensure full integration by overcoming stigma
- promote newer thinking and better coordination of programs
- Improve the measurement of disability to ensure that the scale of disability is better understood.
- In addition, the public participation processes in the municipality should actively encourage persons with
- Disabilities to be visible and active participants in the development process.

### **5 Moral regeneration charter**

There is a global observation that people have gone astray from their cultural norms and values, religion and believes. The role of the forum is to establish structures that will assist making co-ordination much easier. The office of the Mayor will play a major role by developing programmes that will realise the objectives of the forum identified special groups needs are:

- Transport to attend meetings
- Skills development programme
- Employment opportunities that will help meet 2% target
- Brail machine for the visual impairment ( Disabled group)
- Stationary for all special schools and centres
- Provision of water and electricity in needy centres
- Financial assistance to the youth
- HIV/AIDS council co-ordination
- Old-aged centre requires a building

### **Early Child Development (ECD)**

Centres for early child development have been established in most of the villages. Some of these centres get support from the Social Development department whilst others



depend on contributions by beneficiaries. The office of the Mayor is constantly meeting with representatives of these centres with an aim to give support where necessary. The municipality has to develop programmes that will help alleviate challenges the ECD centres are faced with.

Challenges facing ECDs are:

- Lack of proper learning centers
- Funding
- Inadequate support by National, Provincial and both local and district municipalities

### **Children's Rights**

The municipality was chosen along with two (2) others to participate in a sponsored programme conducted by Save the Children South Africa (Scsa) for the purpose of mainstreaming children's rights into local government. The project aimed to address the absence of municipal action plans for children or child rights strategy, absence of a dedicated budget for children's issues, minimal participation of children in decisions that affect them; lack of coordination forums for children's issues, and no policy for children's issues.

The municipalities need to develop a municipal action plan for children which will serve as a guide to mainstream children's and prioritise children's issues within the integrated development plans and budget. A focal point to this initiative is the establishment of Ward-based children's committees to create a platform for children to participate in Municipal decision-making processes.

## CHAPTER FIVE:

### 5.1 STRATEGIC INTENT DEVELOPMENT

The municipality held its strategic session during February 2017 in order to review the current 2015-2016 IDP and align the proposed 2017-2018 IDP taking cognisance of both the 2015-2016 Annual and 2014/15 midyear performances assessment as well as other influencing factors.

The purpose of this process was to align the current strategies to further assist the institution in dealing with various service delivery challenges. Based on this evaluation of all the analysis input the Karoo Hoogland Municipality re-structured the following strategies contained within their developed programmes to ensure that alignment of all factors will result in the priorities of the municipality being achieved and that appropriate resources can be allocated.

### 5.2 SWOT ANALYSIS

A SWOT analysis is a commonly used tool used to facilitate a strategic review of a particular organisation. It is a high-level exercise that identifies strengths, weaknesses, opportunities and threats of the organisation. The strengths and weaknesses are internal factors that the organisation may control. Opportunities and threats are those factors external to the organisation and therefore the organisation has little or no control over these macro environment factors.

The SWOT analysis does not identify what should be done. Rather, it provides a framework for identifying where strategic opportunities may exist and how to avoid weaknesses inherent in the organisation or external threats from limiting future expansion and growth. The purpose of the SWOT analysis is to identify and assess the strengths, weaknesses, opportunities and threats in the Karoo Hoogland Local Municipality, in terms of Local economic development.

The identification of strengths, weaknesses, opportunities and threats within the municipal area provides the basis upon which the pillars of the LED strategy may be built.

**TABLE BELOW - SWOT ANALYSIS**

| Weaknesses   | Strengths   |
|--|---|
| <ul style="list-style-type: none"> <li>• Water shortages</li> <li>• Low rainfall</li> <li>• Electricity shortages</li> <li>• Lack of cellphone signal</li> <li>• Land reform taking place too slowly</li> <li>• Skills gap in skilled positions</li> <li>• Municipal owned land is not being used for its best strategic uses</li> <li>• Roads linking the towns are all gravel and distances between towns are far (minimum 80km).</li> </ul> | <ul style="list-style-type: none"> <li>• South African Large Telescope (SALT) in Sutherland - one of the most powerful telescopes in the world - Ideal for stargazing</li> <li>• Eco-tourism – vast open land, unique natural flora and a number conservation areas</li> <li>• Adventure tourism – 4X4 trails, hiking and fishing</li> <li>• Historical and cultural tourism – the rich heritage of the Khoi San/Nama people</li> </ul> |

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Lack of jobs and economic development</li> <li>• Seasonality of working opportunities</li> <li>• Lack of support for emerging entrepreneurs</li> <li>• Lack of available land for Local residents</li> <li>• Lack of integrated domestic and interNational marketing of the area</li> <li>• Fragmentation of tourism industry</li> <li>• Lack of access to good health care</li> <li>• Lack of sport and recreational facilities</li> <li>• Poor quality of education</li> <li>• High cost of land</li> <li>• Poor public transport network</li> <li>• Poor resourcing of LED strategies</li> <li>• Increasing levels of poverty and drug related crimes</li> <li>• High levels of teenage pregnancy</li> <li>• High dependency on social grants and wage income by the poor</li> <li>• Small dispersed towns – mostly marginally active economies (nodes classified as stagnating small towns)</li> <li>• Large distances between Local towns and major economic centres (Kimberley and Cape Town) reduce the competitiveness of this region.</li> <li>• Undiversified economy: over-dependence on agriculture</li> <li>• Virtually non-existent manufacturing industry</li> <li>• Low income levels and low spending capabilities</li> </ul> |  |
| <p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Climate change that will impact on water resources and agricultural activities</li> <li>▪ Water supply</li> <li>▪ Water quality</li> <li>▪ Political dynamics/uncertainties</li> <li>▪ Narrowing agriculture profit margins</li> <li>▪ Fluctuations in tourism industry</li> <li>▪ Global uncertainty of economic conditions</li> <li>▪ Fluctuations in Rand cycles</li> <li>▪ Brain-drain as individuals from the Northern Cape migrate from scarcity of business, finance, technical skills, and so forth</li> </ul>   | <p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Growth in tourism</li> <li>▪ Astro tourism – the South African Large Telescope (SALT) at the South African Astronomical Observatory in Sutherland, as well as the SKA radio telescope project.</li> <li>▪ Unexploited mineral opportunities</li> <li>▪ Brand development</li> <li>▪ Strengthening Local government spheres</li> <li>▪ EPWP, SETAs and learnerships</li> <li>▪ Renewable energy</li> <li>▪ Opportunities for technology to fill gaps</li> <li>▪ Agro-processing and technology innovations (i.e. drought resistant crops)</li> <li>▪ Identified mining area along the southern boundary of LM and a central portion between Williston and Fraserburg, where uranium deposits are found.</li> <li>▪ Gypsum deposits (although limited) are found in the northern part of the LM and to the west of Sutherland</li> <li>▪ Eco-tourism</li> </ul> |

The potential analysis is the process of identifying the areas strengths in order to develop bankable cross-cutting projects.

### 5.3 CRITERIA FOR DETERMINING DEVELOPMENT POTENTIAL

Before commencing with the discussion of the relevant development potential criteria, it is deemed necessary to first clarify the meaning of potential. The Concise Oxford Dictionary (1990) describes “potential” as follows:

- Capable of coming into being or action
- The capacity for use or development
- Usable resources

Therefore, potential refers to resources and/or capacity, which can be utilised or developed. In order to identify or determine this development potential and/or opportunities within an economy, a set of criteria is required against which to measure the resource and/or capacity to determine potential. The set of criteria serves as a tool to identify areas with potential for development and opportunities within each of the Local economic sectors. The criterion for determining development potential therefore includes the following:

- a) Availability of raw materials and resources
- b) Economic linkages
- c) Market trends
- d) Gap analysis / agglomeration advantages
- e) Logistics / Nodal point function
- f) Regional service delivery function
- g) Availability of labour
- h) Technology change
- i) Enabling policy environment

Key priority areas were identified from the SWOT through pains and enablers and are as follows:

**Table 70: Pains and Enablers**

| <b>Pains</b>                       | <b>Enablers</b>                           |
|------------------------------------|---|
| Revenue base / collection          | Revenue enhancement                       |
| Internal capacity                  | Training and development                  |
| Planning, monitoring and reporting | Integrated developmental planning         |
| Ageing infrastructure              | Infrastructure master plan implementation |
| Land use                           | and enforcement of by-laws                |
| Internal controls                  | Adherence to audit and risk plans         |

|                                    |                            |
|------------------------------------|----------------------------|
|                                    |                            |
| Moral and social degeneration      | Empowered communities      |
| Unemployment and poverty           | Economic growth            |
| Endangered environmental resources | Protecting the environment |

### Strategy Map

A strategy map creates a picture of the strategic intent of the municipality. It depicts the outcome orientated goals in support of the strategy in terms of different perspectives based upon the Balanced Scorecard (BSC) methodology as developed by Kaplan and Norton, namely the learning and growth perspective, institutional perspective, the financial and the customer perspectives as articulated as a measurement system. This step in strategy formulation acts as the integration of strategy and operational planning.

Strategy is about those broad priorities that are to be pursued in order to achieve the vision and mission. Once the high level strategic goals are developed, the BSC serves as the device for effective translation and implementation of manageable strategic objectives, outcomes, programmes and developmental strategies.

The above mentioned outcome orientated goals are aligned to development objectives that were developed by the municipality and are depicted in the table below.

Developmental objectives Outcome orientated goals  
To ensure proper land use and human settlement

| <b>Developmental Objectives</b>   | <b>Outcome orientated goals</b>                              |
|---|--|
| To ensure proper land use and human settlements                                   | Integrated Human Settlements                                 |
| To provide high level infrastructure and basic services                           | Accessible and sustainable infrastructure and basic services |
| To ensure municipal economic growth through job creation and investors attraction | Growing inclusive economy                                    |
| Inculcate and improve financial sustainability and management                     | Sustainable financial viability                              |
| To improve intergovernmental relations and public participation                   | Sound governance   |
| To ensure institutional viability through effective and efficiency                | Capacitated and effective human capital                      |
| To improve social livelihood  | Improve Social well-being<br>Protected safe environment      |

Taking into account the agricultural and tourism environment of the municipal area, an outcome orientated goal was added to ensure that the protection of the environment is addressed. The municipality must ensure that it aligns its goals with the National and

Provincial goals and priorities. The table underneath indicates the municipalities outcome orientated goals' alignment to Local Government Key Performance Areas.

| <b>COGTHA Key Performance Areas</b>                                  | <b>Karoo Hoogland Outcome Goals</b>   |
|--|---|
| <b>KPA 1:</b> Basic Service Delivery                                 | Integrated Human Settlements<br>Improve social well-being<br>Protected and safe environment<br>Accessible and sustainable infrastructure and basic services |
| <b>KPA 2:</b> Local Economic Development                             | Growing inclusive economy   |
| <b>KPA 3:</b> Financial Viability                                    | Sustainable financial viability   |
| <b>KPA 4:</b> Municipal Transformation and Institutional Development | Capacitated and effective human capital   |
| <b>KPA 5:</b> Good Governance  | Sound governance  |

Proposed projects to be implemented over the next three financial years were identified as well as human resource requirements for the next financial year in order to implement the immediate term strategies. A summary of the developed Goals and their respective purpose statement and outcome is detailed in the following table.

| <b>Ref</b> | <b>Strategic Goal</b>          | <b>Goal Statement</b>  | <b>Outcome</b>   |
|------------|--------------------------------|--|--|
| 1.         | Improved Social Well-being     | Community empowerment initiatives will focus on restoring human dignity and installing community value systems.<br><br>The municipality will prioritise the provision of facilities that encompass the social educational and recreational needs that will be accessible to all community members. | Creation of safe social environment with the provision of centralized accessible multi discipline service center (Libraries) |
| 2          | Protected and safe environment | The management and protection of municipal environmental resources and assets including conservations.<br><br>By-law enforcement and review of by laws is imperative to contribute to the management of climate change in the municipal area with controlled land use management.                  | The protection of flora and fauna. To promote Edu tourism.   |
| 3          | Growing inclusive economy      | Increase the level of economic activity in the municipal area and create sustainable growth and job creation that will result in a prosperous community that can participate in an equitable sharing economy.<br><br>The goal is to reduce the unemployment rate.                                  | Improved economic conditions   |
| 4          | Sustainable financial growth   | Increased revenue generation to ensure sufficient funds are available for a positive cash flow status, to be able to pay short term financial obligations and have sufficient reserves and investments to internally fund projects for the communities.  | Increased generation own revenue and sufficient reserves for investment into communities.                                    |

|   |  |  |  |
|---|--|--|--|
| 5 | Accessible and sustainable infrastructure and basic services | <p>The core function of the municipality is primarily to save the community through the provision of sustainable affordable qualitative and effective levels of basic services with approved levels of standard. The focus of this goal is primarily directed at the eradication of service backlogs balanced with community need priorities and available finding that can be leveraged through own resources and grant sources.</p> <p>The maintenance of existing services related infrastructure will be prioritised in both operational and capital work budgets. Continued development with respect to the construction and upgrade of roads will be actively pursued to ensure.</p> | Reduction of basic services backlogs in our communities. |
| 6 | Integrated human settlements                                 | The goal is to formalize and create integrated human settlements with the support of sustainable basic services.   | Improve living conditions                                |
| 7 | Sound governance   | <p>The development of sound institutional governance will serve as an internal control system encompassing legislation, policies, procedures and people, and address the expectations of all stakeholders by directing and controlling management activities with good systems and processes.</p> <p>Empowering communities to become actively involved in public participation processes. Improved turnaround time and adherence to service delivery standards.</p>   | Audit opinion  |
| 8 | Capacitated and effective human capital                      | <p>Transformation is about change and this coupled with effective leadership that equates to capacitating people in the process by which they are able to influence /motivate others to accomplish their goals through understanding of the key business objectives.</p> <p>Create a customer focused, friendly and helpful working environment and workforce. The municipality must attract and retain skilled personnel in support of the strategic intent of the municipality.</p>  | Efficient workforce                                      |

Karoo Hoogland Municipalities outcome orientated goals are discussed in more detail in the section that follows. The goals are dealt with per key performance area and the respective measurements are reflected in the Strategic Scorecard at the end of this Chapter.

The following strategic objectives / programmes are the outcomes of the strategic planning session of the municipality that was held during the month of February 2017. The strategies are outlined per each key performance area (**KPA**).

## KPA PRIORITY ISSUE AND OBJECTIVES FOR EACH AND PROGRAMMES

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The purpose of a development objective is to indicate "what" needs to be obtained in order to achieve your vision based on the shortcomings identified during the analysis phase. During this phase certain "what to do procedures" would also be formulated on how to achieve the objectives.

### 5.4 KPA 1: BASIC SERVICE DELIVERY

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**Priority Issue:** Review SDF for Integration of new projects

**Strategic Objectives:**

- Revision of spatial development framework once the IDP has been approved to ensure that all new projects are contained in the SDF
- Reduction in the level of Service Delivery backlogs
- Settlements must be located in climate safe locations, reducing climate related risk and vulnerability.
- To facilitate economic growth and job creation
- Accessibility of emergency services to the community
- To ensure communities are contributing towards Climate Change and reduction of Carbon footprint
- To provide a Systematic Integrated Spatial Land Development Policy
- Increase Regulations of built environment
- 

**Programme:**

- SDF
- Climate Change
- SPLUMA

**Priority Issue:** Lack of infrastructure for proper service delivery

**Strategic Objectives:**

- To enhance sustainable service delivery through infrastructure development
- To ensure proper operation and maintenance of existing infrastructure and equipment
- To develop appropriate skills required for efficient service delivery
- To ensure a healthy environment for all residents with reference to combinable diseases
- Provision of standard sanitation for all residents
- Improve the storm water infrastructure
- Improve road infrastructure
- Infrastructure plans should be evaluated to ensure that they are sustainable resilient, and in climate safe locations
- Reduction in the level of service delivery Backlogs
- To Facilitate Economic Growth and Job Creation
- Facilitate Promotion of health and Well-being of communities
- Facilitate Promotion of education upliftment within communities



- Facilitate safe and secure neighborhoods
- Optimize availability of municipal vehicles
- Increase the accessibility of emergency services to the community
- To ensure communities are contributing towards climate change

**Programmes:**

- Electrification
- Water and Sanitation
- Roads and Storm Water
- Waste Management
- Housing
- Project Management
- Health Services
- Cemeteries
- Education Libraries
- Safety and Security
- DLTC
- Climate Change
- Public Transport
- EPWP
- Fleet Management
- Disaster Management
- Environmental Management

## 5.5 KPA 2: LOCAL ECONOMIC DEVELOPMENT

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**Priority Issue:** The successful implementation of the new LED strategy:

**Strategic Objectives:**

- To establish partnerships with relevant stakeholders and consult with them in the successful implementation of the LED strategy

**Priority Issue:** The development of a tourism industry:

**Strategic Objectives:**

- Develop a tourism strategy in consultation with stakeholders
- Develop skills and services related to tourism
- Develop tourism infrastructure
- The marketing of Karoo Hoogland as a tourism destination
- Establishment and enhancement of festivals unique to the area

**Priority Issue:** Address social challenges that hinder economic development

**Strategic Objectives:**

- Establish, in consultation with stakeholders, a strategy for the management of alcohol abuse and related welfare challenges
- Develop or identify infrastructure to support social welfare programmes
- Develop and enforce by-laws relating to establishments that contribute to social challenges

- Develop youth empowerment programmes
- Develop and source skills related to social development
- To account for use of community facilities museums, swimming pool
- To manage and control commonages transparency
- 

**Priority Issue:** Education, illiteracy and skills development

**Strategic Objectives:**

- Engage with schools and relevant stakeholders regarding access to and development of training infrastructure
- Establish, with relevant stakeholders, general training and skills development programmes accessible by the community
- Engage with relevant stakeholders regarding the enhancement of education in the area

**Priority Issue:** Stimulate local economy

**Strategic Objectives:**

- Attract potential investors through incentive programmes
- Develop basic infrastructure on vacant municipal land e.g. water, electricity
- Enhance skills and SMME development with a view to marketing services outside the region
- Identify agricultural projects for development and marketing

**Priority Issue:** Safe and affordable haven for visitors and residents

**Strategic Objectives:**

- Development of public facilities such as parks, sport and recreational infrastructure
- Engage with business sector regarding affordability of goods
- Develop, in collaboration with stakeholders, a crime prevention strategy
- Develop, in collaboration with relevant government departments, sufficient available health services
- Enhance access to public transport

**Priority Issue:** Develop environmental Policies and by laws

**Strategic Objectives:**

- To address environmental challenges and compile strategies
- Wetland Protection Strategy
- Revised and implement Integrated Waste Management Strategy
- Develop and Implement Environmental by laws
- Develop, mechanism to ensure environmental accountability and reporting
- Provide local leadership on environmental sustainability and climate change response

**Programmes:**

- Economic Growth and Development
- Poverty Alleviation
- Tourism
- SMME Development

## 5.6 KPA 3: FINANCIAL VIABILITY

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**Priority Issues:** The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity.

**Strategic Objectives:**

- Compliance to Legislation
- To implement sound financial management
- To provide free basic services to registered indigents
- To seek commitment of provincial treasury to assist with the development of a financial plan.
- Revenue enhancement and credit control
- AFS (Annual Financial Statements)
- External Auditing
- Budgeting
- To effectively monitor and manage property
- To effectively monitor outstanding debtors by collecting interest on late accounts
- To control and maintain agency services like transaction fees and permits
- Effectively manage facilities and equipment owned by the municipality
- To ensure that monies are collected
- To manage sales of Goods and Rendering of service
- To collect and manage fines and penalties
- To effectively manage financial grants

**Programmes:**

- Legislative Compliance
- Financial Management
- Financial Viability
- Revenue
- Expenditure
- SCM
- Indigents

## 5.6 KPA 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

---

**Priority Issues:** To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP

**Strategic Objectives:**

- Implementation of the Skills Development Plan
- Improved efficiency and effectiveness of the Municipal Administration
- To attract develop and retain ethical and best human capital
- To ensure promulgation of all applicable municipal by laws
- To plan and budget for municipal staff training and development
- Remuneration of municipal employee

**Programmes:**

- Legislative Compliance
- ICT

- New review policies
- Workplace health and safety
- Labour Relations
- Performance Management
- WSP
- LGSETA

## 5.7 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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**Priority Issue:** To ensure that the Constitution of South Africa is applied in Karoo Hoogland to improve the quality of life of all its citizens and to establish a society based on democratic values, social justice and fundamental human rights.

### **Strategic Objectives**

- To actively involve the public in local government management
- To monitor and evaluate the performance of council in terms of its PMS
- Community Participation
- To Create a culture of accountability and transparency
- To effectively report on water losses
- To prevent misuse of municipal equipment and property
- To effectively account for library development via fines, books and grants
- Effectively manage performance of the municipality via audit committees and Internal Audit
- To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services
- To prevent misconduct by acquiring professional services
- To contract facilities to ensure business continuity with minimum risk and maintenance cost

### **Programmes:**

- Good Governance
- Community Participation
- IDP Development
- Customer Stakeholder Relationship Management
- Risk Management
- Audit
- PMS

## 5.8 ALIGNED LONG-TERM STRATEGIES

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In August 2012 National Cabinet approved the South African National Development Plan 2030 (NDP). The Plan addresses a large number of social, political and economic challenges and issues, and essentially proposes a long term strategy to increase employment and invest in human capital through education and training. One of the main ways of influencing a municipality development path is through a planning process with a strong vision to achieve what is necessary to counteract negative forces and impacts. A long term plan can also set a municipality and its area on changed growth and development paths in the provincial, national and international context.

## KPA 1 SERVICE DELIVERY

The National Development Plan advocates the following regarding reversing the spatial effects of apartheid and human settlements:

- Increasing urban population density while improving the liveability of cities by providing parks and other open spaces and ensuring safety
- Providing more reliable and affordable public transport with better coordination across the municipality
- Moving jobs and investment towards dense townships
- Building new settlements far from places of work should be discouraged chiefly through planning and zoning regulations responsive to government policy
- Strong and efficient spatial planning system well integrated across the sphere of government
- More people living closer to their places of work
- More jobs closer in or closer to dense urban township

The Northern Cape Provincial Growth and Development Strategy's main objective for planning in the province are.

- Promoting the growth diversification and transformation of provincial economy
- Poverty reduction through social development
- Developing requisite levels of human and social capital
- Improving the efficiency and effectiveness of governance and other development institutions

National outcome 8 and 10 relates to this goal where sustainable human settlement and improved quality of household life are promoted. This goal is cross cutting with the outcome orientated goal "Protected and safe environment" It is important to take into consideration environmental assets and natural resources that are well protected and continually enhanced in line with development of integrated human settlement. The outputs relate to the reversion of the spatial effect of apartheid and to ensure low carbon economy.

The municipality aims to formalize human settlements with a detailed housing list to inform the municipality and eradicate backlogs. The municipality owns land and it should be investigated how best that land can be utilized for integration and upliftment of communities. The municipality must create an environment conducive for economic growth through partnerships with stakeholders to invest in the local economy. This also includes the priority of moving people closer to economic activities and opportunities.

The spatial positioning and related possibilities to link with and benefit from other economic opportunities around the municipal area should be exploited through intensive engagements with the different sectors and the marketing and branding of the municipality with specific reference to "**Astro Tourism**".

The development of a credible IDP is the cornerstone for sustainable integrated human settlements hence the municipality must give effect to the development and

implementation thereof to improve service delivery through planning monitoring reporting and evaluation of processes on service delivery.

The outcome to be achieved through this goal is improved living conditions of communities.

A critical area to support this outcome is the **Provision of Infrastructure Bulk** services.

**Strategic Objective:** Revision of spatial development framework once the IDP has been approved to ensure that all new projects are contained in the SDF.

The revision of spatial development plan to include new projects for spatial planning is important but the inclusion of the new SPLUMA. Through SPLUMA provides a framework for spatial planning and land use management in the municipality. SPLUMA specifies the relationship between the spatial planning and the land use management system and other kinds of planning and ensures that the system of spatial planning and land use management promoted social and economic inclusion.

### **Programme 1: Spatial Development**

In terms of Section 35 of the Municipal Systems Act, Act 32 of 2000, the Integrated Development, of which the SDF forms part is the principal planning instrument which guides and informs all planning and development and binds the municipality in the exercising of its executive authority. Furthermore, in terms of Section 35 and 36 of Act 32 of 2000, the SDF prevails over any plan Prepared in terms of the Physical Planning Act, Act 125 of 1991, and the municipality must give Effect to the IDP and conduct its affairs in a manner which is consistent with the IDP. As the SDF is a legally required document forming the foundation of a municipality's IDP, all Planning decisions on land development applications must be based on the extent the application conforms and gives effect to the SDF/IDP.

### **Programme 2: Climate Change**

Local government is in the front line of implementation and service delivery, and thus local government needs to pursue adequate mitigation and adaptation strategies, which should include participation from the public sector, the private sector and NGOs. There is a need for collaboration amongst all stakeholders. It is also necessary that progressive planning and risk assessment must be done to minimize the effects of climate change. In the case of the Karoo Hoogland municipality these risk assessments have already been completed in the Disaster Management Plans for each municipality and the Climate Change Vulnerability Assessment for the District. Planning can include:

### **Programme 3: SPLUMA**

SPLUMA provides a framework for spatial planning and land use management in the municipality.

Specifies the relationship between the spatial planning and the land use management system and other kinds of planning. Ensures that the system of spatial planning and land use management promoted social and economic inclusion. Provides for development

principles and norms and standards. Provides for the sustainable and efficient use of land. Provides for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government and redresses the imbalance of the past and to ensure that there is equity in the application of spatial development planning and land use management systems. SPLUMA applies to the whole of South Africa (urban and rural areas) and governs informal and traditional land use development processes.

The NDP states that to grow faster and in a more effective inclusive manner the country needs higher capital spending in general and public investment in particular. The focus is on financing planning maintenance of infrastructure. The priorities are relevant to Karoo Hoogland Municipality listed in the NDP are amongst others.

- Public transport infrastructure and systems supported by facilitates upgrades to enhance links with road based services.
- The timely development of a number of key new water schemes to supply urban and industrial centres
- The establishment of a national water conservation programme with clear targets to improve water use and efficiency
- Accelerated investment in demand side savings including technologies such as solar water heating.

**The NDP Targets are:**

- All people have access to clean potable water and there is enough water for agriculture industries
- Reduced water demand in urban areas to 15% below the business as usual scenario by 2030
- Additional electricity required and at least 20 000 MW of the required capacity should come from renewable sources.

National outcome 6 is an efficient competitive and responsive economic infrastructure network with the following outputs:

Output 1: Improving competition and regulation

Output 2: Ensure reliable generation distribution and transmission of electricity

Output 3: To ensure the maintenance and strategic expansion of our road rail network and the operational efficiency capacity and competitiveness of our sea ports

Output 4: Maintenance and supply availability of our bulk infrastructure

Output 5: Communication technology

Output 6: Develop a set of operational indicators for each segment

Output 9: A responsive accountable effective and efficient local government system and output 2 refers to;

- Improving access to basic services
- Meet the basic needs of the population

In response to the abovementioned priorities and strategies the municipality intends to respond as far as their powers and functions are concerned as follows with regard to its goal of accessible and sustainable infrastructure and basic services:

To achieve this goal it is important to focus on the following:

- Enhance sustainable service delivery through infrastructure development
- Ensure proper operation and maintenance of existing infrastructure and equipment
- Develop appropriate skills required for efficient service delivery

Backlogs exist in terms of basic service delivery the municipality needs upgrade its existing infrastructure. It is therefore critical for the municipality to consider the development of infrastructure.

To address the backlog it is of critical importance that the municipality should develop a Infrastructure Master Plan. The plan should assist the municipality to indicate the current state of infrastructure.

Critical areas Roads and storm water control, Waste management, Electricity, Cemetery, Parks and Sport Recreational facilities.

### **Strategic Objective: Reduction in the level of Service Delivery backlogs**

To provide all communities with affordable qualitative and effective standards of basic or higher levels of service and ensure the integrity of sustainable human settlements. The main focus of this objective is primarily directed at the eradication of service backlogs, balanced with community need priorities and available funding.

#### **Programme 4: Electrification**

To provide all communities with access to sustainable and reliable electricity supply or alternative economic methods of electricity of domestic household use.

#### **Programme 5: Water**

This programme will focus on the provision of sustainable uninterrupted supply of quality potable water at a minimum service levels inside the yard of the household this will be for future projects as well.

#### **Programme 6: Sanitation**

To provide all communities with basic or higher sanitation. To optimum operational levels at all times through the establishment of an infrastructure capable of handling the required capacity for effective sewerage treatment and environmental disposal.

#### **Programme 8: Roads and Storm Water**

To construct and maintain roads and storm water systems including the sealing of paving internal gravel roads to ensure that all municipal roads meet the minimum levels of service standards with respect to the establishment of a Roads and Storm Water Master Plan.

#### **Programme 9: Waste Management**



To provide all communities with an effective waste collection and disposal management system that is environmentally compliant and raises public awareness about minimising waste generation and effective waste recycling.

### **Programme 10: Housing**

Although not a core function this programme focuses on the establishment of sustainable human settlements as well as the identification of areas suitable for settlement development. Another priority is the refurbishment of RDP houses not built up to NHRBC standards.

### **Programme 11: Project Management**

Project Management is the discipline of planning organizing and managing resources to bring about the successful completion of specific project goals and objectives.

### **Strategic Objective: To facilitate economic growth and job creation**

Create an enabling environment to attract investment that generates economic growth and job creation.

### **Programme 12: EPWP**

The establishment and promotion of opportunities that create job opportunities through mechanism of EPWP, both in capital labour intensive projects and LED initiatives.

### **Programme: 13 Sport and Recreation**

Reduce social ills such as crime drug abuse social disorder teenage pregnancy as well as HIV/AIDS through the use of sports and culture activities and the provision of adequate and accessible recreational facilities.

### **Programme 14: Health Services**

Report and coordinate the provision of health services through the District and Provincial offices.

### **Programme 15: Cemeteries**

The establishment and maintenance of cemeteries in accordance with applicable by laws and legislation.

### **Strategic Objective: Optimize availability of Municipal Vehicles**

### **Programme 16: Fleet Management**

To ensure that processes and controls are effectively managed to optimize the availability and utilization of municipal vehicles.

### **Strategic Objective: Accessibility of emergency services to the community**

## **Programme 17: Disaster Management**

To focus on ways and means to prevent and mitigate and or results of disasters and to maximize preparedness for potential for potential emergencies and disasters thus optimizing the safe guarding of life and property.

### **Strategic Objective: Protected and Safe Environment**

The National Development Plan, under its priority to transition to a low-carbon economy, it promotes that there is a need to move away from the unsustainable use of natural resources. It warns that changes in energy generation, water conservation and the uses of both are likely to be challenging and potentially disruptive for society and that competent institutions, innovative economic instruments, clear and consistent policies and an educated and understanding electorate will be required. Key proposals to support the transition to low-carbon economy include:

- Support for a carbon budgeting approach, linking social and economic considerations to carbon reduction targets
- Introducing an economy-wide price for carbon complemented by a range of programmes and incentives to raise energy efficiency and manage waste better
- A target of 5 million solar water heaters by 2030
- Building standards that promote energy efficiency
- Simplifying the regulatory regime to encourage renewable energy, regional hydroelectric initiatives and independent power producers
- Set of indicators for natural resources accompanied by publication of annual reports on health of identified resources to inform policy
- Target for the amount of land and ocean under protection
- Achieve the peak, plateau and decline trajectory for greenhouse gas emission with the peak being reached about 2025
- By 2030 an economy-wide carbon price should be entrenched
- Zero emission building standards by 2030
- Absolute reduction in total volume of waste disposed to landfill each year
- At least 20 000MW of renewable energy should be contracted by 2030
- Improved disaster preparedness for extreme climate events
- Increased investment in new agricultural technologies, research and the development of adaption strategies to protect rural livelihoods and expansion of commercial agriculture

National Outcome 10 promotes environmental assets and natural resources that are well protected and continually enhanced and the output of sustainable environmental management. This is to be achieved through solid waste management to ensure waste minimization, improved collection and disposal and recycling by ensuring that the percentage of households with basic waste collection and disposal facilities.

This goal responds to the institutional priority issue that relates to environmental management

The municipality should come up with innovative ways on how it can increase community awareness and participation in environmental management activities and initiatives. Especially in the light of the vision of the municipality focusing on agriculture and tourism, the municipality is rich in agriculture and has a wealth of culture and ecotourism focus points that should be protected to ensure future sustainability. A further critical aspect that needs to be addressed and/or avoided is unplanned development and informal settlements that put a strain on the sensitive environment in terms of debushing, erosion, fires, air-, water and ground pollution.

This advent therefore necessitates the need to identify and protect the environment. The municipality needs to develop an environmental management plan which ought to give rise to intensifying recycling initiatives. Lastly environmental by-laws with appropriate punitive mechanism and action plan need to be developed, promulgated and enforced to strengthen compliance thereof.

The outcome to be achieved through this goal is protected flora and fauna for sustainable ecotourism and agro-economy that will ultimately lead to a better quality life for the whole community. This means eradicating informal settlements, monitoring and managing environment. To achieve the outcome the following critical areas have been identified that should be prioritised and addressed through implementation of various projects:

**Strategic Objective:** To ensure communities are contributing towards Climate Change and reduction of Carbon footprint

#### **Programme 18: Environmental Management**

To ensure that the residents of all communities within the municipal boundaries are afforded an environment that is not harmful to their health of wellbeing through the enforcement of relevant by-laws and the implementation of population control, including monitoring of water quality air quality management and waste management.

#### **KPA 2: LOCAL ECONOMIC DEVELOPMENT**

Karoo Hoogland Local Municipality within the Namakwa District Municipality to generate a LED to ensure incorporation of the most recent development changes in the Local economy as well as the alignment with Provincial and National initiatives and to develop implementation plans. The LED study forms part of the IDP process and is one of the milestones toward achieving Local economic development within the Karoo Hoogland LM area. The purpose of the LED is for Karoo Hoogland Local Municipality to create the enabling environment to allow economic development to occur.

#### **Strategic Goal: Growing Inclusive Economy**

The National Development Plan aims for an economy that will create more jobs by:

- Realising an environment for sustainable employment and inclusive economic growth
- Promoting employment in labour-absorbing industries
- Raising exports and competitiveness
- Strengthening government capacity to give leadership to economic development

- Mobilising all sectors of society around a national vision it further aims to achieve the following targets by 2030:

**It further aims to achieve the following targets by 2030:**

- Unemployment rate should fall to 14% by 2020 and 6% by 2030 requiring an additional 11 million jobs
- Proportion of adults should increase from 41% to 61%
- Proportion of adults in rural areas working should rise from 29% to 40%
- Labour force participation should rise from 54% to 65%
- Gross Domestic Product (GDP) should increase by 2.7 times in real times
- Proportion of national income earned by the bottom 40% should rise from about 6% to 10% in 2030
- Broad ownership of assets by historical disadvantage groups to increase
- Public employment programmes should reach 1 million by 2015 and 2 million by 2030

The NDP further aims to have an inclusive and integrated rural economy it is envisaged that by 2030 South Africa rural communities should have greater opportunities to participate fully in the economic social and political life of the country. A million jobs to be created through agriculture development based on effective land reform and the growth of irrigated agriculture and land production. The focus is also on basic service that enable people to develop the capabilities they need to take advantage of economic opportunities throughout the country and contribute to the development of their communities through remittance and the transfer of skills. Food security and the empowerment of farm workers is also a priority. Industries tourism and small enterprises should be developed where potential exist.

National Outcome 4 and 7 relate to decent employment through inclusive economic growth and vibrant equitable and sustainable rural communities with food security for all. The outputs of these tow outcomes refer to the implementation of community works programmes.

Karoo Hoogland Municipality strives towards contributing to the priorities set out in the NDP and National Outcomes through the implementation of the goal: Inclusive growing economy.

**This goal responds to priority issue that relates to economic growth**

Karoo Hoogland Municipality seeks to compile programmes and formulate policies and by-laws that encourage entrepreneurship and thereby monitor evaluate performance of the local economy and investment trends. Project designs should include labour intensive methods and identify opportunity areas and expose SMME's to incubation projects which will stimulate development and thereby enhance job creation. Through the aforementioned initiatives the municipality strives to reduce the unemployment rate.

Existing policies should be reviewed or new policies develop to become more enabling and focussed on establishment of partnerships and networks that will enhance the SMME value chain.

**Critical areas the following actions were undertaken to prepare the LED:**

- Updated socio-economic and demographic information for the Karoo Hoogland Local Municipality through the use of secondary information (existing data bases)
- To take Undertake an in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area
- Capacity building of Local LED officials
- Identify practical sectoral programmes that could be used as basis for pro-active economic development initiatives
- Undertake focused analysis of key sectors taking cognizance of the first and second economy constraints and opportunities
- To promote an inclusive, participatory process that integrates strategic planning, community participation, sustainability and good decision making with Local economic development
- Emphasise Local job creation, alleviation of poverty and redistribution of opportunities and wealth

**Strategic Objective:** To facilitate economic growth and sustainable job creation

**Programme 19: Economic Growth and Development**

Create an enabling environment to attract investment that generates economic and job creation

**Programme 20: Poverty Alleviation**

To ensure effective programme is implemented with appropriate funding to create a sustainable and prosperous community that has the access to participate in the economic opportunities afforded and lead to principle of self-sustainability being established.

**Strategic Objective:** Facilitate promotion of education upliftment within communities

**Programme 21: Education and Libraries**

To provide ancillary educational support through the provision of library services to create learning environment for all sectors of the community.

**Strategic Objective:** Facilitate safe and secure neighbourhoods

Programme: To develop in collaboration with all stakeholder a crime prevention strategy and in collaboration with relevant government departments have sufficient available health services.

**KPA 3 FINANCIAL VIABILITY**

This goal relates directly to the National Outcome 9 which is: A responsive, accountable, effective and efficient local government system. Under this outcome, outputs 1 and 6: Administrative and financial capability as well as Implement a differentiated approach to municipal financing, planning and support relate directly to the goal under discussion. The following sub-outputs are advocated:

- The average monthly collection rate on billings to rise
- The percentage of municipalities with debtors more than 50% of own revenue to be reduced from 24% to 12% to 90%
- The percentage of municipalities that are overspending on opex to improve from 8% to 4%
- The percentage of municipalities under-spending on capex to be reduced from 63% to 30%
- The percentage of municipalities spending less than 5% of opex on repairs and maintenance to be reduced from 92% to 45%
- Improve national and provincial policy, support and oversight to local government
- The percentage of municipalities that are overspending on OPEX to improve from 8% to 4%
- The percentage of municipalities spending less than 5% of opex on repairs and maintenance to be reduced from 92% to 45%
- The percentage of municipalities under-spending on capex to be reduced from 63% to 30%

As indicated previously, the NDP states that to grow faster and in a more inclusive manner, the country needs a higher level of capital spending in general and public investment in particular.

This goal responds to the institutional priority issue that relates to revenue enhancement.

The municipality needs to increase revenue generation to ensure sufficient funds are available to invest into projects for the communities. The municipality must be able to pay commitments and have sufficient reserves and investments. The intention is for the municipality to become less grant dependent and be in a financial position to fund infrastructure projects from own funds.

The outcome to be achieved through this goal is financial viability and a prosperous institution through increased generation of own revenue and to ensure sufficient reserves for investment into communities. Financial viability will also ensure reduced grant dependency. This means to become self-sustainable in terms of increased revenue collection and sustained service delivery.

To achieve the outcome the following critical projects have been identified:

**Critical areas** data cleansing, smart metering, community based waste management, Masakane campaigns, disposal of non-utilised immovable assets.

**Strategic Objective: Compliance to MFMA legislation**

**Programme 22:** Compliance to all legislative and internal policy and procedural requirements within prescribed timelines.

**Strategic Objective:** To implement sound financial management practise practices.

### **Programme 23: Financial Management**

As required by legislation amongst other the Municipal Finance Management Act, no 56 of 2003 the municipality endeavours to be accountable to all its stakeholders who are responsible for providing resources to the municipality.

### **Programme 24: Financial Viability**

The effective management of cash to fulfil both short and long term financial commitment of the organization.

### **Programme 25: Revenue**

In order to executes its mandate and fulfill in its desire it is essential that the municipality have access to adequate sources of revenue from both its own operations intergovernmental transfers and external investors.

### **Programme 26: Expenditure**

The effective management of operational and capital spending patterns in line with budget mandates and projects cash flow requirements.

### **Programme 27: SCM**

To effectively procure goods and services for the organisation in a timorous and cost effective manner.

## **KPA 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

The NDP priority of Building a capable and developmental State advocates the following:

- A state that is capable of playing a developmental and transformative role.
- A public service immersed in the development agenda but insulated from undue political interference
- Staff at all levels has the authority, experience, competence and support they need to do their jobs
- Relations between national, provincial and local government are improved through a more proactive approach to managing the intergovernmental system

- Clear governance structures and stable leadership enable state-owned enterprises (SOEs) to achieve their developmental potential

National Outcome 12 that deals with an efficient and development oriented public service targets the following outputs:

- Business processes, systems, decision rights and accountability management
- The institutional capacity and effectiveness of municipalities is increased
- Clean, Responsive and Accountable Administration

This goal responds to the institutional priority issues that relate to filling of critical vacancies and training and development that will ensure a responsive and performing workforce and resources that will create a customer-focused, friendly and helpful working environment. The municipality must attract and retain skilled personnel and provide WSP & skills audit related training in support of the strategic intent of the municipality.

The outcome to be achieved through this goal is an efficient workforce. This means to leverage the municipality's staff capacity to drive efficiency and effectiveness.

To achieve the outcome the following critical areas have been identified:

**Critical area** is the implementation of the Performance Management System.

#### **Programme 28: Legislative compliance**

Compliance to new existing legislative requirements pertaining to local government

#### **Programme 29: ICT**

The integration of computer and network hardware and software which enable users to access, store and transmit information.

#### **Programme 30: New/Reviewed Policies**

Ensure that all existing policies are reviewed and updated on an annual basis and approved by council. With respect to new policies ensure that they are processed in a timely manner within each financial year to maintain the integrity of the institutions policy and procedure framework.

#### **Programme 31: Workplace Health and Safety**

Occupational health is concerned with the health and safety of employees at work. The aim of the programme is to promote a healthy safe and legislative compliant work environment and healthy active and productive worker.

#### **Programme 32: Labour Relations**



The practice of managing unionised labour employment situation to establish sound communication forums for the purpose of enabling negotiated settlement and minimizing conflict within the workplace.

### **Programme 33: Performance Management**

Performance management is a systematic approach to management which equips leaders managers workers and stakeholders at different levels with a set of tools and techniques to regularly plan continuously monitor periodically measure and reviewed performance of the municipality in terms of indicators to determine its efficiency effectiveness and impact thereby ensuring improved cost effective service delivery to the community.

#### **Strategic Objective: To attract develop and retain ethical and best human capital**

To ensure that all employees have equal access to instruments of self-improvement for the purpose of attaining their optimum potential and effective contribution to the organisation.

### **Programme 34: Organisational Development**

To create an environment that is conducive to internal employee growth and establishes institutional arrangements that permit the organisation to perform in an effective optimal manner.

Strategic Objective: To ensure promulgation of all applicable Municipal by laws

**Programme 35:** To make sure all applicable by laws are promulgated and approved by council.

## **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

Related to this goal are the following NDP priorities:

- Reforming the public service
- Fighting corruption
- Transforming society and uniting the country

In light of the abovementioned priorities, the NDP states that a plan is only as credible as its delivery mechanism is viable. A capable state is an essential precondition for South Africa's development. A capable state does not materialise by decree, nor can it be legislated or created from conference resolutions. It has to be painstakingly built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems and consistent and fair application of rules.

High corruption levels frustrate society's ability to operate fairly and efficiently and the state's ability to deliver on its development mandate. Political will is essential to combat the scourge of corruption. The fight against corruption has to be fought on three fronts: deterrence, prevention and education. Deterrence helps people understand that they are likely to be caught and punished. Prevention is about systems information, audit and so on) to make it hard to engage in corrupt acts. The social dimension of corruption can only be tackled by focussing on values, through educations. International experience shows that with political will and sustained application of the right strategies, corruption can be significantly reduced and public trust restored.

National Outcome 12 that deals with an efficient and development oriented public service targets the following outputs:

- Business processes, systems, decision rights and accountability management
- The institutional capacity and effectiveness of municipalities is increased
- Clean, Responsive and Accountable Administration

This goal responds to the institutional priority issue that relates to internal controls.

The municipality aims to strengthen and effectively manage their systems and procedures to ensure sound governance practices are adhered to. This ought to begin with the need to ensure the full functionality of ward committee and public participation systems to enhance democratic governance. These will give rise to the need to maximise organisational excellence and provide accountability to the community of municipality.

The outcome to be achieved through this goal is public confidence through an unqualified audit opinion. This means to be an organisation that practices responsible, accountable, effective and efficient corporate governance.

Critical areas reviewed and launch service delivery standards, public participation and communication strategy GIS linked to customer care system.

### **Strategic Objective: To strengthen participatory governance within the community**

Sound institutional governance will serve as an internal control system encompassing legislation procedures and people and address the expectations of all stakeholders by directing and controlling management activities with good systems and processes.

**Critical areas Services** and construction of BMG projects in Climate Change safe locations

### **Strategic Objective: Facilitate Promotion of health and Well-being of communities**

Improvement of social well-being entails a whole spectrum of services – health, education, libraries, safety and security, including community and road safety. The NDP states that when people feel unsafe it makes it harder for them to develop their capabilities, pursue their personal goals and to take part in social and economic activities. South Africans need to feel safe everywhere and have confidence in the criminal justice system to protect them and to act speedily and effectively when required to do so.

By 2030 people should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they must enjoy an active community life free of fear. Women can walk freely in the street and the children can play safely outside. The police service is a well-resourced professional institution staffed by highly skilled officers who value their works, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence, and respect the rights of all to equality and justice.

**On the priority of health care for all, the NDP targets the following:**

- Increase average male and female life expectancy at birth to 70 years
- Progressively improve TB prevention and cure
- Reduce maternal, infant and child mortality
- Significantly reduce prevalence of non-communicable chronic diseases
- Reduce injury, accidents and violence by 50 percent from 2010 levels
- Deploy primary healthcare teams provide care to families and communities
- Everyone must have access to an equal standard of care, regardless of their income
- Fill posts with skilled, committed and competent individuals

**In improving education, training and innovation, the NDP targets the following:**

- All children should have at least two years pre-school education
- About 90% of learners in grades 3, 6 & 9 must achieve 50% or more in the annual national assessments in literacy, maths and science
- Between 80 – 90% of learners should complete 12 years of schooling and or vocational education with at least 80% successfully passing the exit exams
- Eradicate infrastructure backlogs to ensure that all schools meet the minimum standards by 2016
- Expand the college system with a focus on improved quality
- Provide 1 million learning opportunities through Community Education and Training Centres
- Improve the throughput rate to 80% by 2030
- Produce 30 000 artisans per year
- Increase enrolment at universities by at least 70% by 2030
- Increase the number of students eligible to study towards maths- and science-based degrees to 450 000 by 2030
- Increase the percentage of PhD qualified staff in the higher education sector from the current 34% to over 75% by 2030
- Produce more than 100 doctoral graduates per million per year by 2030
- Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so

Karoo Hoogland Municipality must investigate and invest in the construction of a Thusong Center

**Programme 36: Good Governance**

To provide transparency and openness in the daily administration of the institution for the benefit of all stakeholders.

### **Programme 37: Community Participation**

The creation of structures to enable communities to effectively participate in the development and economic growth of their respective communities

### **Programme 38: IDP Development**

The Local Government Municipal Systems Act (MSA) No32.2000 as amended and other relevant supplementary legislative and policy frameworks require that local government structures prepares Integrated Development Plan (IDP's). In compliance with this legislation the Karoo Hoogland Municipality's IDP provides the strategic framework that guis the municiaplitys planning and budgeting over the course of a political term.

### **Programme 39: Customer and Stakeholders Relationship Management**

Support on organization's strategic objectives by interpreting and influencing both the external and internal environment. Create positive relationships with all relevant stakeholders through the appropriate management of their expectations and agreed objectives. Stakeholder management is a process and control that must be planned and guided by underlying principles.

**Strategic Objective: To create a culture of accountability and transparency**

### **Programme 40: Risk Management**

The identification assessment and prioritization of risk. Defined in ISO 31000 as the effect of uncertainty on objectives whether positive or negative followed by coordinated and economical application of resources to minimize monitor and control the probability and or impact of unfortunate event or maximize the realization of opportunities.

### **Programme 41: Audit**

Internal auditing is a catalyst for improving an organizations governance risk management and management controls by providing insight and recommendations based on analyses and assessments of data and internal business processe

## CHAPTER SIX: PROJECTS

After considering the appropriate strategies the Municipality needed to consider the best way to implement these strategies. This was done through the identification and designing of projects. Projects that was identified but not completed in the previous IDP cycle were also included if they were still relevant to address an identified priority area. Uniform expenditure classifications have already been established and implemented for national and provincial government departments. The below mentioned project list is compiled as per MSCO regulations.

### 6.1 INCOME

| PROJECT NAME :     | DISCRIPTION VOTE: |               |               |               | KPA 1:              | IDP OBJECTIVE:                            |
|--------------------|-------------------|---------------|---------------|---------------|---------------------|---|
| Building Plan Fees | 0020              |               |               |               | Service Delivery    | Increase Regulations of built environment |
| PROJECT NUMBER:    |                   |               |               |               |                     |   |
|                    |                   |               |               |               |                     |   |
| PROGRAMME          | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |   |
|                    |                   |               |               |               | Other Revenue       |   |
|                    | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                    | -                 | -             | -             | -             |                     |   |

| PROJECT NAME :    | DISCRIPTION VOTE: |               |               |               | KPA 2:              | IDP OBJECTIVE:  |
|-------------------|-------------------|---------------|---------------|---------------|---------------------|---|
| Caravan Park Fees | 0020              |               |               |               | LED                 | Development of public facilities such as parks, sport and recreational infrastructure |
| PROJECT NUMBER:   |                   |               |               |               |                     |   |
|                   |                   |               |               |               |                     |   |
| PROGRAMME         | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |   |
|                   |                   |               |               |               | Other Revenue       |   |
|                   | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                   | -                 | -             | -             | -             |                     |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               |               | KPA 3:              | IDP OBJECTIVE:                      |
|-----------------|-------------------|---------------|---------------|---------------|---------------------|-------------------------------------|
| Cash Surplus    | 0020              |               |               |               | Financial Viability | To ensure that monies are collected |
| PROJECT NUMBER: |                   |               |               |               |                     |                                     |
|                 |                   |               |               |               |                     |                                     |
| PROGRAMME       | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |                                     |
|                 |                   |               |               |               | Other Revenue       |                                     |
|                 | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |                                     |
|                 | 1000.00           | 1000.00       | 1000.00       | 1000.00       |                     |                                     |

| PROJECT NAME :                     | DISCRIPTION VOTE: |               |               |               | KPA 2:                             | IDP OBJECTIVE:                               |
|------------------------------------|-------------------|---------------|---------------|---------------|------------------------------------|--|
| Commonage Rent: Agricultural Areas | 0020              |               |               |               | LED                                | To manage and control commonages transparity |
| PROJECT NUMBER:                    |                   |               |               |               |                                    |  |
|                                    |                   |               |               |               |                                    |  |
| PROGRAMME                          | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION                |  |
|                                    |                   |               |               |               | Rental of facilities and equipment |  |
|                                    | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                    |  |
|                                    | -                 | -             | -             | -             |                                    |  |



| PROJECT NAME :             | DISCRIPTION VOTE: |               |               |               | KPA 2:                             | IDP OBJECTIVE:                               |
|----------------------------|-------------------|---------------|---------------|---------------|------------------------------------|--|
| Commonage Rent: Town Areas | 0020              |               |               |               | LED                                | To manage and control commonages transparity |
| PROJECT NUMBER:            |                   |               |               |               |                                    |  |
|                            |                   |               |               |               |                                    |  |
| PROGRAMME                  | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION                |  |
|                            |                   |               |               |               | Rental of facilities and equipment |  |
|                            | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                    |  |
|                            | -                 | -             | -             | -             |                                    |  |

| PROJECT NAME :            | DISCPRIPTION VOTE: |               |               |               | KPA 5:              | IDP OBJECTIVE:  |
|---------------------------|--------------------|---------------|---------------|---------------|---------------------|---|
| Deposits: Hiring of Halls | 0020               |               |               |               | Good Governance     | To prevent misuse of municipal equipment and property |
| PROJECT NUMBER:           |                    |               |               |               |                     |   |
|                           |                    |               |               |               |                     |   |
| PROGRAMME                 | SCOA FUNDING       |               |               |               | GRAP CLASSIFICATION |   |
|                           |                    |               |               |               | Other revenue       |   |
|                           | 2017/<br>2018      | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                           | -                  | -             | -             | -             |                     |   |

| PROJECT NAME :             | DISCRIPTION VOTE: |               |               |               | KPA 3:              | IDP OBJECTIVE:                                    |
|----------------------------|-------------------|---------------|---------------|---------------|---------------------|---|
| Electricity: Call Out Fees | 0020              |               |               |               | Financial Viability | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:            |                   |               |               |               |                     |   |
|                            |                   |               |               |               |                     |   |
| PROGRAMME                  | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |   |
|                            |                   |               |               |               | Other revenue       |   |
|                            | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                            | -                 | -             | -             | -             |                     |   |

| PROJECT NAME :            | DISCRIPTION VOTE: |               |               |               | KPA 3:                                | IDP OBJECTIVE:                                    |
|---------------------------|-------------------|---------------|---------------|---------------|---------------------------------------|---|
| Electricity Network Sales | 0020              |               |               |               | Financial Viability                   | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:           |                   |               |               |               |                                       |   |
|                           |                   |               |               |               |                                       |   |
| PROGRAMME                 | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION                   |   |
|                           |                   |               |               |               | Service charges - electricity revenue |   |
|                           | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                       |   |
|                           | -                 | -             | -             | -             |                                       |   |



| PROJECT NAME :               | DISCRIPTION VOTE: |               |               |               | KPA 3:                                | IDP OBJECTIVE:                                     |
|------------------------------|-------------------|---------------|---------------|---------------|---------------------------------------|--|
| Electricity: Service Charges | 0020              |               |               |               | Financial Viability                   | To collect sales of goods and rendering of service |
| PROJECT NUMBER:              |                   |               |               |               |                                       |  |
|                              |                   |               |               |               |                                       |  |
| PROGRAMME                    | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION                   |  |
|                              |                   |               |               |               | Service charges - electricity revenue |  |
|                              | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                       |  |
|                              | -                 | -             | -             | -             |                                       |  |



| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               |               | KPA 3:              | IDP OBJECTIVE:                            |
|----------------------------------|-------------------|---------------|---------------|---------------|---------------------|---|
| Electricity: Tampering Penalties | 0020              |               |               |               | Financial Viability | To collect and manage fines and penalties |
| PROJECT NUMBER:                  |                   |               |               |               |                     |   |
|                                  |                   |               |               |               |                     |   |
| PROGRAMME                        | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |   |
|                                  |                   |               |               |               | Other revenue       |   |
|                                  | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                                  | -                 | -             | -             | -             |                     |   |



| PROJECT NAME :    | DISCRIPTION VOTE: |               |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-------------------|-------------------|---------------|---------------|---------------|---------------------|---|
| Encroachment Fees | 0020              |               |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:   |                   |               |               |               |                     |   |
|                   |                   |               |               |               |                     |   |
| PROGRAMME         | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION |   |
|                   |                   |               |               |               | Other revenue       |   |
|                   | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                     |   |
|                   | -                 | -             | -             | -             |                     |   |

| PROJECT NAME :                      | DISCRIPTION VOTE: |               |               |               | KPA 3:                         | IDP OBJECTIVE:                         |
|-------------------------------------|-------------------|---------------|---------------|---------------|--------------------------------|--|
| Energy Efficiency Demand Side Grant | 0020              |               |               |               | Financial Viability            | To effectively manage financial grants |
| PROJECT NUMBER:                     |                   |               |               |               |                                |  |
|                                     |                   |               |               |               |                                |  |
| PROGRAMME                           | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION            |  |
|                                     |                   |               |               |               | Transfers recognised - capital |  |
|                                     | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                |  |
|                                     | -                 | -             | -             | -             |                                |  |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               |               | KPA 3:                             | IDP OBJECTIVE:                         |
|-----------------|-------------------|---------------|---------------|---------------|------------------------------------|--|
| Equitable Share | 0020              |               |               |               | Financial Viability                | To effectively manage financial grants |
| PROJECT NUMBER: |                   |               |               |               |                                    |  |
|                 |                   |               |               |               |                                    |  |
| PROGRAMME       | SCOA FUNDING      |               |               |               | GRAP CLASSIFICATION                |  |
|                 |                   |               |               |               | Transfers recognised - operational |  |
|                 | 2017/<br>2018     | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                    |  |
|                 | -                 | -             | -             | -             |                                    |  |

| PROJECT NAME :                 | DISCPRIPTION VOTE: |               |               |               | KPA 3:                             | IDP OBJECTIVE:                         |
|--------------------------------|--------------------|---------------|---------------|---------------|------------------------------------|--|
| Expanded Public Work Programme | 0020               |               |               |               | Financial Viability                | To effectively manage financial grants |
| PROJECT NUMBER:                |                    |               |               |               |                                    |  |
|                                |                    |               |               |               |                                    |  |
| PROGRAMME                      | SCOA FUNDING       |               |               |               | GRAP CLASSIFICATION                |  |
|                                |                    |               |               |               | Transfers recognised - operational |  |
|                                | 2017/<br>2018      | 2019/<br>2020 | 2021/<br>2022 | 2023/<br>2024 |                                    |  |
|                                | -                  | -             | -             | -             |                                    |  |

| PROJECT NAME :             | DISCRIPTION VOTE: |               |               | KPA 2:                             | IDP OBJECTIVE:                         |
|----------------------------|-------------------|---------------|---------------|------------------------------------|--|
| Financial Management Grant | 0020              |               |               | Financial Viability                | To effectively manage financial grants |
| PROJECT NUMBER:            |                   |               |               |                                    |  |
|                            |                   |               |               |                                    |  |
| PROGRAMME                  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                            |                   |               |               | Transfers recognised - operational |  |
|                            | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                            | 1 900 000,00      | 2 155 000,00  | 2 415 000,00  |                                    |  |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Photostats Fees | 0020              |               |               | Good Governance     | To prevent misuse of municipal equipment and property |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other revenue       |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:                   | IDP OBJECTIVE:                          |
|--------------------------|-------------------|---------------|---------------|--------------------------|---|
| Gains on disposal of PPE | 0020              |               |               | Financial Viability      | To implement sound financial management |
| PROJECT NUMBER:          |                   |               |               |                          |   |
|                          |                   |               |               |                          |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION      |   |
|                          |                   |               |               | Gains on disposal of PPE |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                          |   |
|                          | -                 | -             | -             |                          |   |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:   |
|----------------------|-------------------|---------------|---------------|------------------------------------|--|
| Garden Waste Removal | 0020              |               |               | Financial Viability                | To encourage sales of Goods and<br>Property of service |
| Income               |                   |               |               |                                    |  |
| PROJECT NUMBER:      |                   |               |               |                                    |  |
| PROJECT NUMBER:      |                   |               |               |                                    |  |
|                      |                   |               |               |                                    |  |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                      |                   |               |               | Rental of facilities and equipment |  |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                      | 2018              | 2019          | 2020          |                                    |  |
|                      | -                 | -             | -             |                                    |  |
|                      |                   |               |               |                                    |  |



| PROJECT NAME :               | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|------------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Electricity | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:              |                   |               |               |                                       |  |
|                              |                   |               |               |                                       |  |
| PROGRAMME                    | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                              |                   |               |               | Interest earned - outstanding debtors |  |
|                              | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                              | -                 | -             | -             |                                       |  |

| PROJECT NAME :                       | DISCRIPTION VOTE: |               |               | KPA 3:                         | IDP OBJECTIVE:                         |
|--------------------------------------|-------------------|---------------|---------------|--------------------------------|--|
| Integrated Nat Elec Programme (INEP) | 0020              |               |               | Financial Viability            | To effectively manage financial grants |
| PROJECT NUMBER:                      |                   |               |               |                                |  |
|                                      |                   |               |               |                                |  |
| PROGRAMME                            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION            |  |
|                                      |                   |               |               | Transfers recognised - capital |  |
|                                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                |  |
|                                      | -                 | -             | -             |                                |  |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Other | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:        |                   |               |               |                                       |  |
|                        |                   |               |               |                                       |  |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                        |                   |               |               | Interest earned - outstanding debtors |  |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                        | 3 000,00          | 3 200,00      | 3 400,00      |                                       |  |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Rates | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:        |                   |               |               |                                       |  |
|                        |                   |               |               |                                       |  |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                        |                   |               |               | Interest earned - outstanding debtors |  |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                        | -                 | -             | -             |                                       |  |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|-------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Refuse | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:         |                   |               |               |                                       |  |
|                         |                   |               |               |                                       |  |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                         |                   |               |               | Interest earned - outstanding debtors |  |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                         | -                 | -             | -             |                                       |  |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|-----------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Sanitation | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:             |                   |               |               |                                       |  |
|                             |                   |               |               |                                       |  |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                             |                   |               |               | Interest earned - outstanding debtors |  |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                             | -                 | -             | -             |                                       |  |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest Levied: Water | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:        |                   |               |               |                                       |  |
|                        |                   |               |               |                                       |  |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                        |                   |               |               | Interest earned - outstanding debtors |  |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                        | -                 | -             | -             |                                       |  |

| PROJECT NAME :    | DISCRIPTION VOTE: |               |               | KPA 3:                                 | IDP OBJECTIVE:                          |
|-------------------|-------------------|---------------|---------------|--|---|
| Interest Received | 0020              |               |               | Financial Viability                    | To implement sound financial management |
| PROJECT NUMBER:   |                   |               |               |  |   |
|                   |                   |               |               |  |   |
| PROGRAMME         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                    |   |
|                   |                   |               |               | Interest earned - external investments |   |
|                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |   |
|                   | 299 900,00        | 317 600,00    | 336 000,00    |  |   |



| PROJECT NAME :            | DISCRIPTION VOTE: |               |               | KPA 3:                                | IDP OBJECTIVE:   |
|---------------------------|-------------------|---------------|---------------|---------------------------------------|--|
| Interest on Late Accounts | 0020              |               |               | Financial Viability                   | To effectively monitor outstanding debtors by collecting interest on late accounts |
| PROJECT NUMBER:           |                   |               |               |                                       |  |
|                           |                   |               |               |                                       |  |
| PROGRAMME                 | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                   |  |
|                           |                   |               |               | Interest earned - outstanding debtors |  |
|                           | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                       |  |
|                           | -                 | -             | -             |                                       |  |

| PROJECT NAME :        | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|-----------------------|-------------------|---------------|---------------|---------------------|--|
| Library Fines: Income | 0020              |               |               | Good Governance     | To effectively account for library development via fines, books and grants |
| PROJECT NUMBER:       |                   |               |               |                     |  |
| 6.10                  |                   |               |               |                     |  |
| PROGRAMME             | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                       |                   |               |               | Other revenue       |  |
|                       | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                       | -                 | -             | -             |                     |  |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|------------------------|-------------------|---------------|---------------|---------------------|--|
| Land Use Planning Fees | 0020              |               |               | Service Delivery    | To provide a Systematic Integrated Spatial Land Development Policy |
| PROJECT NUMBER:        |                   |               |               |                     |  |
|                        |                   |               |               |                     |  |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                        |                   |               |               | Other revenue       |  |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                        | -                 | -             | -             |                     |  |

| PROJECT NAME :        | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:   |
|-----------------------|-------------------|---------------|---------------|------------------------------------|--|
| Library Grant: Income | 0020              |               |               | Good Governance                    | To effectively account for library development via fines, books and grants |
| PROJECT NUMBER:       |                   |               |               |                                    |  |
|                       |                   |               |               |                                    |  |
| PROGRAMME             | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                       |                   |               |               | Transfers recognised - operational |  |
|                       | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                       | -                 | -             | -             |                                    |  |

| PROJECT NAME :        | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|-----------------------|-------------------|---------------|---------------|---------------------|--|
| Library Fines: Income | 0020              |               |               | Good Governance     | To effectively account for library development via fines, books and grants |
| PROJECT NUMBER:       |                   |               |               |                     |  |
|                       |                   |               |               |                     |  |
| PROGRAMME             | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                       |                   |               |               | Other revenue       |  |
|                       | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                       | -                 | -             | -             |                     |  |

| PROJECT NAME :     | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|--------------------|-------------------|---------------|---------------|---------------------|--|
| Library Lost Books | 0020              |               |               | Good Governance     | To effectively account for library development via fines, books and grants |
| PROJECT NUMBER:    |                   |               |               |                     |  |
|                    |                   |               |               |                     |  |
| PROGRAMME          | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                    |                   |               |               | Other revenue       |  |
|                    | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                    | -                 | -             | -             |                     |  |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:   |
|----------------------|-------------------|---------------|---------------|------------------------------------|--|
| Library Hall Rentals | 0020              |               |               | Good Governance                    | To effectively account for library development via fines, books and grants |
| PROJECT NUMBER:      |                   |               |               |                                    |  |
|                      |                   |               |               |                                    |  |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                      |                   |               |               | Rental of facilities and equipment |  |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                      | -                 | -             | -             |                                    |  |

| PROJECT NAME :                  |  | DISCRIPTION VOTE: |               |               | KPA 3:                         | IDP OBJECTIVE:   |
|---------------------------------|--|-------------------|---------------|---------------|--------------------------------|--|
| PROJECT NAME :                  |  | DISCRIPTION VOTE: |               |               | KPA 3:                         | IDP OBJECTIVE:   |
| Motor Vehicle Registration Fees |  | 0020              |               |               | Financial Viability<br><br>LED | To control and maintain agency services like transaction fees and permits.<br>The marketing of Karoo Hoogland as a tourism destination |
| Map Sales: Museum               |  | 0020              |               |               |                                |  |
| PROJECT NUMBER:                 |  |                   |               |               |                                |  |
| PROJECT NUMBER:                 |  |                   |               |               |                                |  |
| PROGRAMME                       |  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION            |  |
| PROGRAMME                       |  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION            |  |
|                                 |  |                   |               |               | Agency services                |  |
|                                 |  |                   |               |               | Other revenue                  |  |
|                                 |  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                |  |
|                                 |  | 2018              | 2019          | 2020          |                                |  |
|                                 |  | -                 | -             | -             |                                |  |

| PROJECT NAME :                 | DISCRIPTION VOTE: |               |               | KPA 3:                         | IDP OBJECTIVE:                         |
|--------------------------------|-------------------|---------------|---------------|--------------------------------|--|
| Municipal Infrastructure Grant | 0020              |               |               | Financial Viability            | To effectively manage financial grants |
| PROJECT NUMBER:                |                   |               |               |                                |  |
|                                |                   |               |               |                                |  |
| PROGRAMME                      | SCOA FUNDING      |               |               | GRAP CLASSIFICATION            |  |
|                                |                   |               |               | Transfers recognised - capital |  |
|                                | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                |  |
|                                | -                 | 761 000,00    | -             |                                |  |



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| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:  |
|--------------------------|-------------------|---------------|---------------|------------------------------------|---|
| Natis Commission Receive | 0020              |               |               | Financial Viability                | To control and maintain agency services like transaction fees and permits |
| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:  |
| PROJECT NUMBER:          |                   |               |               |                                    |   |
| Mun Systems Improvement  | 0020              |               |               | Financial Viability                | To effectively manage financial   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |   |
| PROJECT NUMBER:          |                   |               |               | Agency services                    |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |   |
| PROGRAMME                | SCOA FUNDING      | 761 000,00    | -             | GRAP CLASSIFICATION                |   |
|                          |                   |               |               | Transfers recognised - operational |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |   |
|                          | -                 | 761 000,00    | -             |                                    |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Museum Fees     | 0020              |               |               | LED                 | To account for use of community facilities museums, swimming pool |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other revenue       |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | 761 000,00    | -             |                     |   |

| PROJECT NAME :                | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-------------------------------|-------------------|---------------|---------------|---------------------|---|
| Natis Other Trans eg. permits | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER:               |                   |               |               |                     |   |
|                               |                   |               |               |                     |   |
| PROGRAMME                     | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                               |                   |               |               | Agency services     |   |
|                               | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                               | -                 | 761 000,00    | -             |                     |   |

| PROJECT NAME :             | DISCRIPTION VOTE: |               |               | KPA 3:   | IDP OBJECTIVE:                     |
|----------------------------|-------------------|---------------|---------------|--|------------------------------------|
| Post Emp Medical -Invoiced | 0020              |               |               | Municipal Transformation and Institutional Development | Remuneration of municipal employee |
| PROJECT NUMBER:            |                   |               |               |  |                                    |
|                            |                   |               |               |  |                                    |
| PROGRAMME                  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |                                    |
|                            |                   |               |               | Other revenue  |                                    |
|                            | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |                                    |
|                            | -                 | 761 000,00    | -             |  |                                    |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------------|-------------------|---------------|---------------|---------------------|---|
| Overpayment collection | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:        |                   |               |               |                     |   |
|                        |                   |               |               |                     |   |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                        |                   |               |               | Other revenue       |   |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                        | -                 | 761 000,00    | -             |                     |   |

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| PROJECT NAME :                | DISCRIPTION VOTE: |               |               | KPA 3:                     | IDP OBJECTIVE:                                    |
|-------------------------------|-------------------|---------------|---------------|----------------------------|---|
| Rates: Dissonance Certificate | 0020              |               |               | Financial Viability        | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:               |                   |               |               |                            |   |
|                               |                   |               |               |                            |   |
| PROGRAMME                     | SCOA FUNDING      |               |               | GRAP CLASSIFICATION        |   |
|                               |                   |               |               | Other rates Income Forgone |   |
|                               | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                            |   |
|                               | -                 | -             | -             |                            |   |



| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                                    |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Rates: Levies   | 0020              |               |               | Financial Viability | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Property rates      |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :                     | DISCRIPTION VOTE: |               |               | KPA 3:                        | IDP OBJECTIVE:                                    |
|------------------------------------|-------------------|---------------|---------------|-------------------------------|---|
| Rates: Rebates 2.5% Before 30 Sept | 0020              |               |               | Financial Viability           | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:                    |                   |               |               |                               |   |
|                                    |                   |               |               |                               |   |
| PROGRAMME                          | SCOA FUNDING      |               |               | GRAP CLASSIFICATION           |   |
|                                    |                   |               |               | Property rates Income Forgone |   |
|                                    | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                               |   |
|                                    | -                 | -             | -             |                               |   |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:                        | IDP OBJECTIVE:                                    |
|----------------------|-------------------|---------------|---------------|-------------------------------|---|
| Rates: Rebates Farms | 0020              |               |               | Financial Viability           | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:      |                   |               |               |                               |   |
|                      |                   |               |               |                               |   |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION           |   |
|                      |                   |               |               | Property rates Income Forgone |   |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                               |   |
|                      | -                 | -             | -             |                               |   |

| PROJECT NAME :            | DISCRIPTION VOTE: |               |               | KPA 3:                        | IDP OBJECTIVE:                                    |
|---------------------------|-------------------|---------------|---------------|-------------------------------|---|
| Rates: Rebates Government | 0020              |               |               | Financial Viability           | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:           |                   |               |               |                               |   |
|                           |                   |               |               |                               |   |
| PROGRAMME                 | SCOA FUNDING      |               |               | GRAP CLASSIFICATION           |   |
|                           |                   |               |               | Property rates Income Forgone |   |
|                           | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                               |   |
|                           | -                 | -             | -             |                               |   |

| PROJECT NAME :                | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-------------------------------|-------------------|---------------|---------------|---------------------|---|
| Rates: Valuation Certificates | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:               |                   |               |               |                     |   |
| 6.10                          |                   |               |               |                     |   |
| PROGRAMME                     | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                               |                   |               |               | Other revenue       |   |
|                               | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                               | -                 | -             | -             |                     |   |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:                           | IDP OBJECTIVE:                                    |
|-----------------------------|-------------------|---------------|---------------|----------------------------------|---|
| Refuse: Less Income Forgone | 0020              |               |               | Financial Viability              | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:             |                   |               |               |                                  |   |
|                             |                   |               |               |                                  |   |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION              |   |
|                             |                   |               |               | Service charges - refuse revenue |   |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                  |   |
|                             | -                 | -             | -             |                                  |   |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:                        | IDP OBJECTIVE:                                    |
|-------------------------|-------------------|---------------|---------------|-------------------------------|---|
| Rates: Rebates Indigent | 0020              |               |               | Financial Viability           | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:         |                   |               |               |                               |   |
|                         |                   |               |               |                               |   |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION           |   |
|                         |                   |               |               | Property rates Income Forgone |   |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                               |   |
|                         | -                 | -             | -             |                               |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| PROJECT NAME :                     | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                         |
|------------------------------------|-------------------|---------------|---------------|---------------------|--|
| Regional Bulk Infrastructure Grant | 0020              |               |               | Financial Viability | To effectively manage financial grants |
| PROJECT NUMBER:                    |                   |               |               |                     |  |
|                                    |                   |               |               |                     |  |
| PROGRAMME                          | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                                    |                   |               |               | Other revenue       |  |
|                                    | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                                    | -                 | -             | -             |                     |  |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:                           | IDP OBJECTIVE:                                    |
|-------------------------|-------------------|---------------|---------------|----------------------------------|---|
| Refuse: Service Charges | 0020              |               |               | Financial Viability              | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:         |                   |               |               |                                  |   |
| 6.10                    |                   |               |               |                                  |   |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION              |   |
|                         |                   |               |               | Service charges - refuse revenue |   |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                  |   |
|                         | -                 | -             | -             |                                  |   |



| PROJECT NAME :    | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|-------------------|-------------------|---------------|---------------|------------------------------------|--|
| Rental: Buildings | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:   |                   |               |               |                                    |  |
|                   |                   |               |               |                                    |  |
| PROGRAMME         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                   |                   |               |               | Rental of facilities and equipment |  |
|                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                   | -                 | -             | -             |                                    |  |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-----------------------------|-------------------|---------------|---------------|---------------------|---|
| Salary Deduction Commission | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER:             |                   |               |               |                     |   |
| 6.10                        |                   |               |               |                     |   |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                             |                   |               |               | Other revenue       |   |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                             | 10 000,00         | 10 600,00     | 11 200,00     |                     |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:   | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|--|---|
| Revenue: LGSETA | 0020              |               |               | Municipal Transformation and Institutional Development | To plan and budget for municipal staff training and development |
| PROJECT NUMBER: |                   |               |               |  |   |
|                 |                   |               |               |  |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |   |
|                 |                   |               |               | Other revenue  |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |   |
|                 | -                 | -             | -             |  |   |

| PROJECT NAME :      | DISCPRIPTION VOTE: |               |               | KPA 3:                  | IDP OBJECTIVE:                                    |
|---------------------|--------------------|---------------|---------------|-------------------------|---|
| Sale of Grave plots | 0020               |               |               | Service Delivery        | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:     |                    |               |               |                         |   |
|                     |                    |               |               |                         |   |
| PROGRAMME           | SCOA FUNDING       |               |               | GRAP CLASSIFICATION     |   |
|                     |                    |               |               | Service charges - other |   |
|                     | 2017/<br>2018      | 2018/<br>2019 | 2019/<br>2020 |                         |   |
|                     | -                  | -             | -             |                         |   |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-----------------------------|-------------------|---------------|---------------|---------------------|---|
| Salary Deduction Commission | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER:             |                   |               |               |                     |   |
|                             |                   |               |               |                     |   |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                             |                   |               |               | Other revenue       |   |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                             | 10 000,00         | 10 600,00     | 11 200,00     |                     |   |

| PROJECT NAME :   | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                             |
|------------------|-------------------|---------------|---------------|---------------------|--|
| Sale of Property | 0020              |               |               | Financial Viability | To effectively monitor and manage property |
| PROJECT NUMBER:  |                   |               |               |                     |  |
|                  |                   |               |               |                     |  |
| PROGRAMME        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                  |                   |               |               | Other revenue       |  |
|                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                  | -                 | -             | -             |                     |  |

| PROJECT NAME :            | DISCRIPTION VOTE: |               |               | KPA 3:                               | IDP OBJECTIVE:                                    |
|---------------------------|-------------------|---------------|---------------|--------------------------------------|---|
| Sanitation: Call Out Fees | 0020              |               |               | Financial Viability                  | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:           |                   |               |               |                                      |   |
|                           |                   |               |               |                                      |   |
| PROGRAMME                 | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                  |   |
|                           |                   |               |               | Service charges - sanitation revenue |   |
|                           | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                      |   |
|                           | -                 | -             | -             |                                      |   |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:                               | IDP OBJECTIVE:                                    |
|-----------------------------|-------------------|---------------|---------------|--------------------------------------|---|
| Sanitation: Service Charges | 0020              |               |               | Financial Viability                  | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:             |                   |               |               |                                      |   |
|                             |                   |               |               |                                      |   |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                  |   |
|                             |                   |               |               | Service charges - sanitation revenue |   |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                      |   |
|                             | -                 | -             | -             |                                      |   |



| PROJECT NAME :      | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|---------------------|-------------------|---------------|---------------|---------------------|---|
| SARS Revenue on VAT | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:     |                   |               |               |                     |   |
|                     |                   |               |               |                     |   |
| PROGRAMME           | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                     |                   |               |               | Other revenue       |   |
|                     | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                     | 1 498 000,00      | 1 584 000,00  | 1 675 000,00  |                     |   |

| PROJECT NAME :   | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|------------------|-------------------|---------------|---------------|------------------------------------|--|
| Site Renta:I MTN | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:  |                   |               |               |                                    |  |
|                  |                   |               |               |                                    |  |
| PROGRAMME        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                  |                   |               |               | Rental of facilities and equipment |  |
|                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                  | -                 | -             | -             |                                    |  |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|----------------------|-------------------|---------------|---------------|------------------------------------|--|
| Site Rental: Infraco | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:      |                   |               |               |                                    |  |
|                      |                   |               |               |                                    |  |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                      |                   |               |               | Rental of facilities and equipment |  |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                      | -                 | -             | -             |                                    |  |

| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|----------------------------------|-------------------|---------------|---------------|------------------------------------|--|
| Site Rental: Sutherland Airfield | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:                  |                   |               |               |                                    |  |
|                                  |                   |               |               |                                    |  |
| PROGRAMME                        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                                  |                   |               |               | Rental of facilities and equipment |  |
|                                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                                  | -                 | -             | -             |                                    |  |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|----------------------|-------------------|---------------|---------------|------------------------------------|--|
| Site Rental: Vodacom | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:      |                   |               |               |                                    |  |
|                      |                   |               |               |                                    |  |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|                      |                   |               |               | Rental of facilities and equipment |  |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|                      | -                 | -             | -             |                                    |  |

| PROJECT NAME :                             | DISCRIPTION VOTE: |               |               | KPA 3:                             | IDP OBJECTIVE:                             |
|--|-------------------|---------------|---------------|------------------------------------|--|
| Site Rental: Williston Vleis<br>Koöperasie | 0020              |               |               | Financial Viability                | To effectively monitor and manage property |
| PROJECT NUMBER:                            |                   |               |               |                                    |  |
|  |                   |               |               |                                    |  |
| PROGRAMME                                  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                |  |
|  |                   |               |               | Rental of facilities and equipment |  |
|  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                    |  |
|  | -                 | -             | -             |                                    |  |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Sundry Income   | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other revenue       |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :     | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|--------------------|-------------------|---------------|---------------|---------------------|---|
| Swimming Pool Fees | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:    |                   |               |               |                     |   |
|                    |                   |               |               |                     |   |
| PROGRAMME          | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                    |                   |               |               | Other revenue       |   |
|                    | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                    | -                 | -             | -             |                     |   |



| PROJECT NAME :            | DISCRIPTION VOTE: |               |               | KPA 3:                               | IDP OBJECTIVE:                            |
|---------------------------|-------------------|---------------|---------------|--------------------------------------|---|
| Telephone & Fax Fees      | 0020              |               |               | Financial Viability                  | To implement sound financial management   |
| PROJECT NUMBER:           |                   |               |               |                                      |   |
| PROJECT NAME :            | DISCRIPTION VOTE: |               |               | KPA 3:                               | IDP OBJECTIVE:                            |
| Water : Reconnection Fees | 0020              |               |               | Financial Viability<br>Other revenue | To collect and manage fines and penalties |
| PROJECT NUMBER:           | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                      |   |
|                           | -                 | -             | -             |                                      |   |
| PROGRAMME                 | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                  |   |
|                           |                   |               |               | Other revenue                        |   |
|                           | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                      |   |
|                           | -                 | -             | -             |                                      |   |

DRAFT

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Tender Fees     | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER: |                   |               |               |                     |   |
| 6.10            |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other revenue       |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Traffic Fines   | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Fines               |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :                      | DISCRIPTION VOTE: |               |               | KPA 3:                       | IDP OBJECTIVE:                         |
|-------------------------------------|-------------------|---------------|---------------|------------------------------|--|
| Water Services Infrastructure Grant | 0020              |               |               | Financial Viability          | To effectively manage financial grants |
| PROJECT NUMBER:                     |                   |               |               |                              |  |
|                                     |                   |               |               |                              |  |
| PROGRAMME                           | SCOA FUNDING      |               |               | GRAP CLASSIFICATION          |  |
|                                     |                   |               |               | Transfers recognised-capital |  |
|                                     | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                              |  |
|                                     | -                 | -             | -             |                              |  |

| PROJECT NAME :       | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                                    |
|----------------------|-------------------|---------------|---------------|---------------------|---|
| Water: Call Out Fees | 0020              |               |               | Financial Viability | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:      |                   |               |               |                     |   |
|                      |                   |               |               |                     |   |
| PROGRAMME            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                      |                   |               |               | Other revenue       |   |
|                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                      | -                 | -             | -             |                     |   |

| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                                    |
|--------------------------|-------------------|---------------|---------------|---------------------|---|
| Water: Installation Fees | 0020              |               |               | Financial Viability | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:          |                   |               |               |                     |   |
| 6.10                     |                   |               |               |                     |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                          |                   |               |               | Other revenue       |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                          | -                 | -             | -             |                     |   |

| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                                    |
|--------------------------|-------------------|---------------|---------------|---------------------|---|
| Water: Installation Fees | 0020              |               |               | Financial Viability | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:          |                   |               |               |                     |   |
|                          |                   |               |               |                     |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                          |                   |               |               | Other revenue       |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                          | -                 | -             | -             |                     |   |



| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:                          | IDP OBJECTIVE:                                    |
|------------------------|-------------------|---------------|---------------|---------------------------------|---|
| Water: Service Charges | 0020              |               |               | Financial Viability             | To manage sales of Goods and Rendering of service |
| PROJECT NUMBER:        |                   |               |               |                                 |   |
|                        |                   |               |               |                                 |   |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION             |   |
|                        |                   |               |               | Service charges - water revenue |   |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                 |   |
|                        | -                 | -             | -             |                                 |   |

| PROJECT NAME :             | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                            |
|----------------------------|-------------------|---------------|---------------|---------------------|---|
| Water: Tampering Penalties | 0020              |               |               | Financial Viability | To collect and manage fines and penalties |
| PROJECT NUMBER:            |                   |               |               |                     |   |
|                            |                   |               |               |                     |   |
| PROGRAMME                  | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                            |                   |               |               | Other revenue       |   |
|                            | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                            | -                 | -             | -             |                     |   |
|                            |                   |               |               | 2                   |   |

| PROJECT NAME :                         | DISCRIPTION VOTE: |               |               | KPA 3:   | IDP OBJECTIVE:  |
|--|-------------------|---------------|---------------|--|---|
| Accommodation: Workshops, Council etc. | 0020              |               |               | Municipal Transformation and Institutional Development | To plan and budget for municipal staff training and development |
| PROJECT NUMBER:                        |                   |               |               |  |   |
|  |                   |               |               |  |   |
| PROGRAMME                              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |   |
|  |                   |               |               | Other expenditure                                      |   |
|  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |   |
|  | -                 | -             | -             |  |   |

| PROJECT NAME :               | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:            |
|------------------------------|-------------------|---------------|---------------|---------------------|---------------------------|
| Web Site Advertisements Fees | 0020              |               |               | Financial Viability | Compliance to Legislation |
| PROJECT NUMBER:              |                   |               |               |                     |                           |
|                              |                   |               |               |                     |                           |
| PROGRAMME                    | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                           |
|                              |                   |               |               | Other revenue       |                           |
|                              | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                           |
|                              | -                 | -             | -             |                     |                           |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:            |
|-------------------------|-------------------|---------------|---------------|---------------------|---------------------------|
| Advertisements: Banners | 0020              |               |               | Financial Viability | Compliance to Legislation |
| PROJECT NUMBER:         |                   |               |               |                     |                           |
|                         |                   |               |               |                     |                           |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                           |
|                         |                   |               |               | Other expenditure   |                           |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                           |
|                         | -                 | -             | -             |                     |                           |

**FINANCE EXPENDITURE**

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:            |
|-------------------------|-------------------|---------------|---------------|---------------------|---------------------------|
| Advertisements: Gazette | 0020              |               |               | Financial Viability | Compliance to Legislation |
| PROJECT NUMBER:         |                   |               |               |                     |                           |
|                         |                   |               |               |                     |                           |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                           |
|                         |                   |               |               | Other expenditure   |                           |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                           |
|                         | -                 | -             | -             |                     |                           |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:            |
|------------------------|-------------------|---------------|---------------|---------------------|---------------------------|
| Advertisements: Papers | 0020              |               |               | Financial Viability | Compliance to Legislation |
| PROJECT NUMBER:        |                   |               |               |                     |                           |
|                        |                   |               |               |                     |                           |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                           |
|                        |                   |               |               | Other expenditure   |                           |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                           |
|                        | -                 | -             | -             |                     |                           |

| PROJECT NAME :   | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|------------------|-------------------|---------------|---------------|---------------------|--|
| Audit: Committee | 0020              |               |               | Good Governance     | Effectively manage performance of the municipality via audit committees and internal audit |
| PROJECT NUMBER:  |                   |               |               |                     |  |
|                  |                   |               |               |                     |  |
| PROGRAMME        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                  |                   |               |               | Other expenditure   |  |
|                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                  | 71 500,00         | 75 700,00     | 80 100,00     |                     |  |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:   |
|-----------------|-------------------|---------------|---------------|---------------------|--|
| Audit: Internal | 0020              |               |               | Good Governance     | Effectively manage performance of the municipality via audit committees and internal audit |
| PROJECT NUMBER: |                   |               |               |                     |  |
|                 |                   |               |               |                     |  |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                 |                   |               |               | Other expenditure   |  |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                 | 221 000,00        | 233 600,00    | 247 000,00    |                     |  |



| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:    |
|-----------------|-------------------|---------------|---------------|---------------------|-------------------|
| Audit: External | 0020              |               |               | Financial Viability | External Auditing |
| PROJECT NUMBER: |                   |               |               |                     |                   |
|                 |                   |               |               |                     |                   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                   |
|                 |                   |               |               | Other expenditure   |                   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                   |
|                 | 2 160 000,00      | 2 160 000,00  | 2 160 000,00  |                     |                   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Bank Charges    | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other expenditure   |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | 272 000,00        | 288 000,00    | 304 800,00    |                     |   |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 1:              | IDP OBJECTIVE:                             |
|-----------------------------|-------------------|---------------|---------------|---------------------|--|
| Bulk Purchases: Electricity | 0020              |               |               | Service Delivery    | Provision of electricity for all residents |
| PROJECT NUMBER:             |                   |               |               |                     |  |
|                             |                   |               |               |                     |  |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                             |                   |               |               | Bulk purchases      |  |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                             | -                 | -             | -             |                     |  |

| PROJECT NAME :      | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                             |
|---------------------|-------------------|---------------|---------------|---------------------|--|
| Cleansing Materials | 0020              |               |               | Financial Viability | To effectively monitor and manage property |
| PROJECT NUMBER:     |                   |               |               |                     |  |
|                     |                   |               |               |                     |  |
| PROGRAMME           | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                     |                   |               |               | Other expenditure   |  |
|                     | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                     | -                 | -             | -             |                     |  |

| PROJECT NAME :                         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|--|-------------------|---------------|---------------|---------------------|---|
| Commission: Pre Paid Sales Electricity | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER:                        |                   |               |               |                     |   |
|  |                   |               |               |                     |   |
| PROGRAMME                              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|  |                   |               |               | Other expenditure   |   |
|  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|  | -                 | -             | -             |                     |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 1:              | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Chemicals       | 0020              |               |               | Service Delivery    | To ensure a healthy environment for all residents with reference to combinable diseases |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other expenditure   |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :    | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                             |
|-------------------|-------------------|---------------|---------------|---------------------|--|
| Collections Costs | 0020              |               |               | Financial Viability | To effectively monitor and manage property |
| PROJECT NUMBER:   |                   |               |               |                     |  |
|                   |                   |               |               |                     |  |
| PROGRAMME         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                   |                   |               |               | Other expenditure   |  |
|                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                   | 12 000,00         | 12 700,00     | 13 500,00     |                     |  |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:          |
|-------------------------|-------------------|---------------|---------------|---------------------|-------------------------|
| Community Participation | 0020              |               |               | Good Governance     | Community participation |
| PROJECT NUMBER:         |                   |               |               |                     |                         |
|                         |                   |               |               |                     |                         |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |                         |
|                         |                   |               |               | Other expenditure   |                         |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |                         |
|                         | -                 | -             | -             |                     |                         |



| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|----------------------------------|-------------------|---------------|---------------|---------------------|---|
| Commission: Pre Paid Sales Water | 0020              |               |               | Financial Viability | To control and maintain agency services like transaction fees and permits |
| PROJECT NUMBER:                  |                   |               |               |                     |   |
|                                  |                   |               |               |                     |   |
| PROGRAMME                        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                                  |                   |               |               | Other expenditure   |   |
|                                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                                  | -                 | -             | -             |                     |   |

| PROJECT NAME :                 | DISCRIPTION VOTE: |               |               | KPA 4:  | IDP OBJECTIVE:  |
|--------------------------------|-------------------|---------------|---------------|---|---|
| Computer License EMS<br>Sebata | 0020              |               |               | Municipal<br>Transformation<br>and Institutional<br>Development | Improved efficiency and<br>effectiveness of the municipal<br>administration |
| PROJECT NUMBER:                |                   |               |               |   |   |
|                                |                   |               |               |   |   |
| PROGRAMME                      | SCOA FUNDING      |               |               | GRAP CLASSIFICATION   |   |
|                                |                   |               |               | Other expenditure   |   |
|                                | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |   |   |
|                                | -                 | -             | -             |   |   |

| PROJECT NAME :     | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:  |
|--------------------|-------------------|---------------|---------------|--|---|
| Computer Upgrading | 0020              |               |               | Municipal Transformation and Institutional Development | Improved efficiency and effectiveness of the municipal administration |
| PROJECT NUMBER:    |                   |               |               |  |   |
|                    |                   |               |               |  |   |
| PROGRAMME          | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |   |
|                    |                   |               |               | Other expenditure                                      |   |
|                    | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |   |
|                    | 21 000,00         | 22 300,00     | 24 600,00     |  |   |

| PROJECT NAME :                  | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:  |
|---------------------------------|-------------------|---------------|---------------|--|---|
| Computer License Other Software | 0020              |               |               | Municipal Transformation and Institutional Development | Improved efficiency and effectiveness of the municipal administration |
| PROJECT NUMBER:                 |                   |               |               |  |   |
|                                 |                   |               |               |  |   |
| PROGRAMME                       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |   |
|                                 |                   |               |               | Other expenditure                                      |   |
|                                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |   |
|                                 | 30 000,00         | 31 800,00     | 33 700,00     |  |   |

| PROJECT NAME :               | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:   |
|------------------------------|-------------------|---------------|---------------|---------------------|--|
| Consultant fees: AFS Support | 0020              |               |               | Good Governance     | To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services |
| PROJECT NUMBER:              |                   |               |               |                     |  |
|                              |                   |               |               |                     |  |
| PROGRAMME                    | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                              |                   |               |               | Consultant fees     |  |
|                              | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                              | 226 000,00        | 242 000,00    | 256 000,00    |                     |  |

| PROJECT NAME :                        | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:   |
|---------------------------------------|-------------------|---------------|---------------|---------------------|--|
| Consultant fees: Actuarial Valuations | 0020              |               |               | Good Governance     | To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services |
| PROJECT NUMBER:                       |                   |               |               |                     |  |
|                                       |                   |               |               |                     |  |
| PROGRAMME                             | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                                       |                   |               |               | Consultant fees     |  |
|                                       | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                                       | 19 000,00         | 20 100,00     | 21 300,00     |                     |  |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:   |
|------------------------|-------------------|---------------|---------------|---------------------|--|
| Consultant fees: mSCOA | 0020              |               |               | Good Governance     | To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services |
| PROJECT NUMBER:        |                   |               |               |                     |  |
|                        |                   |               |               |                     |  |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                        |                   |               |               | Consultant fees     |  |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                        | 1 130 000,00      | 1 050 000,00  | 260 000,00    |                     |  |

| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:   |
|----------------------------------|-------------------|---------------|---------------|---------------------|--|
| Consultant fees: Webpage hosting | 0020              |               |               | Good Governance     | To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services |
| PROJECT NUMBER:                  |                   |               |               |                     |  |
|                                  |                   |               |               |                     |  |
| PROGRAMME                        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                                  |                   |               |               | Consultant fees     |  |
|                                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                                  | 8 400,00          | 8 900,00      | 9 500,00      |                     |  |
|                                  |                   |               |               |                     |  |



| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:                          |
|-----------------|-------------------|---------------|---------------|---------------------|---|
| Consumables     | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER: |                   |               |               |                     |   |
|                 |                   |               |               |                     |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                 |                   |               |               | Other expenditure   |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                 | -                 | -             | -             |                     |   |

| PROJECT NAME :                        | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:   |
|---------------------------------------|-------------------|---------------|---------------|---------------------|--|
| Contracted Fees: Electricity Services | 0020              |               |               | Good Governance     | To outsource services and activities of non-core functions to assist the municipality to deliver core functions to deliver on outstanding services |
| PROJECT NUMBER:                       |                   |               |               |                     |  |
|                                       |                   |               |               |                     |  |
| PROGRAMME                             | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                                       |                   |               |               | Contracted services |  |
|                                       | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                                       | -                 | -             | -             |                     |  |

| PROJECT NAME :               | DISCRIPTION VOTE: |               |               | KPA 1:              | IDP OBJECTIVE:                                     |
|------------------------------|-------------------|---------------|---------------|---------------------|--|
| Contracted Fees: UDS Toilets | 0020              |               |               | Service Delivery    | Provision of standard sanitation for all residents |
| PROJECT NUMBER:              |                   |               |               |                     |  |
|                              |                   |               |               |                     |  |
| PROGRAMME                    | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |  |
|                              |                   |               |               | Contracted services |  |
|                              | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |  |
|                              | -                 | -             | -             |                     |  |

| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|--------------------------|-------------------|---------------|---------------|---------------------|---|
| Contributed: PPE Aircons | 0020              |               |               | Financial Viability | Effectively manage facilities and equipment owned by the municipality |
| PROJECT NUMBER:          |                   |               |               |                     |   |
|                          |                   |               |               |                     |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                          |                   |               |               | Contributed: PPE    |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                          | -                 | -             | -             |                     |   |

| PROJECT NAME :                  | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|---------------------------------|-------------------|---------------|---------------|---------------------|---|
| Contributed: PPE<br>Dictaphones | 0020              |               |               | Financial Viability | Effectively manage facilities and equipment owned by the municipality |
| PROJECT NUMBER:                 |                   |               |               |                     |   |
|                                 |                   |               |               |                     |   |
| PROGRAMME                       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                                 |                   |               |               | Contributed: PPE    |   |
|                                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                                 | -                 | -             | -             |                     |   |

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| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|--------------------------|-------------------|---------------|---------------|---------------------|---|
| Contributed: PPE Aircons | 0020              |               |               | Financial Viability | Effectively manage facilities and equipment owned by the municipality |
| PROJECT NUMBER:          |                   |               |               |                     |   |
|                          |                   |               |               |                     |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                          |                   |               |               | Contributed: PPE    |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                          | -                 | -             | -             |                     |   |

| PROJECT NAME :           | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|--------------------------|-------------------|---------------|---------------|---------------------|---|
| Contributed: PPE Laptops | 0020              |               |               | Financial Viability | Effectively manage facilities and equipment owned by the municipality |
| PROJECT NUMBER:          |                   |               |               |                     |   |
|                          |                   |               |               |                     |   |
| PROGRAMME                | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                          |                   |               |               | Contributed: PPE    |   |
|                          | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                          | -                 | -             | -             |                     |   |



| PROJECT NAME :                    | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:  |
|-----------------------------------|-------------------|---------------|---------------|---------------------|---|
| Contributed: PPE Office Furniture | 0020              |               |               | Financial Viability | Effectively manage facilities and equipment owned by the municipality |
| PROJECT NUMBER:                   |                   |               |               |                     |   |
|                                   |                   |               |               |                     |   |
| PROGRAMME                         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                                   |                   |               |               | Contributed: PPE    |   |
|                                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                                   | -                 | -             | -             |                     |   |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:                     |
|-------------------------|-------------------|---------------|---------------|--|------------------------------------|
| Councillors: Allowances | 0020              |               |               | Municipal Transformation and Institutional Development | Remuneration of municipal employee |
| PROJECT NUMBER:         |                   |               |               |  |                                    |
|                         |                   |               |               |  |                                    |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |                                    |
|                         |                   |               |               | Councillors: Allowances                                |                                    |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |                                    |
|                         | -                 | -             | -             |  |                                    |

| PROJECT NAME :                    | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:                     |
|-----------------------------------|-------------------|---------------|---------------|--|------------------------------------|
| Councillors: Cellphone Allowances | 0020              |               |               | Municipal Transformation and Institutional Development | Remuneration of municipal employee |
| PROJECT NUMBER:                   |                   |               |               |  |                                    |
|                                   |                   |               |               |  |                                    |
| PROGRAMME                         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |                                    |
|                                   |                   |               |               | Councillors: Allowances                                |                                    |
|                                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |                                    |
|                                   | -                 | -             | -             |  |                                    |

| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:                     |
|----------------------------------|-------------------|---------------|---------------|--|------------------------------------|
| Councillors: Datacard Allowances | 0020              |               |               | Municipal Transformation and Institutional Development | Remuneration of municipal employee |
| PROJECT NUMBER:                  |                   |               |               |  |                                    |
|                                  |                   |               |               |  |                                    |
| PROGRAMME                        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |                                    |
|                                  |                   |               |               | Councillors: Allowances                                |                                    |
|                                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |                                    |
|                                  | -                 | -             | -             |  |                                    |

| PROJECT NAME :                 | DISCRIPTION VOTE: |               |               | KPA 4:   | IDP OBJECTIVE:                     |
|--------------------------------|-------------------|---------------|---------------|--|------------------------------------|
| Councillors: Travel Allowances | 0020              |               |               | Municipal Transformation and Institutional Development | Remuneration of municipal employee |
| PROJECT NUMBER:                |                   |               |               |  |                                    |
|                                |                   |               |               |  |                                    |
| PROGRAMME                      | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |                                    |
|                                |                   |               |               | Councillors: Allowances                                |                                    |
|                                | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |                                    |
|                                | -                 | -             | -             |  |                                    |

| PROJECT NAME :   | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------|-------------------|---------------|---------------|---------------------|---|
| Courier Services | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:  |                   |               |               |                     |   |
|                  |                   |               |               |                     |   |
| PROGRAMME        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                  |                   |               |               | Other expenditure   |   |
|                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                  | -                 | -             | -             |                     |   |

| PROJECT NAME :               | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Electricity | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:              |                   |               |               |                     |   |
|                              |                   |               |               |                     |   |
| PROGRAMME                    | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                              |                   |               |               | Debt impairment     |   |
|                              | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                              | -                 | -             | -             |                     |   |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Other | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:        |                   |               |               |                     |   |
|                        |                   |               |               |                     |   |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                        |                   |               |               | Other expenditure   |   |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                        | -                 | -             | -             |                     |   |



| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Rates | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:        |                   |               |               |                     |   |
|                        |                   |               |               |                     |   |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                        |                   |               |               | Other expenditure   |   |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                        | -                 | -             | -             |                     |   |

| PROJECT NAME :          | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Refuse | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:         |                   |               |               |                     |   |
|                         |                   |               |               |                     |   |
| PROGRAMME               | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                         |                   |               |               | Other expenditure   |   |
|                         | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                         | -                 | -             | -             |                     |   |

| PROJECT NAME :              | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-----------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Sanitation | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:             |                   |               |               |                     |   |
|                             |                   |               |               |                     |   |
| PROGRAMME                   | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                             |                   |               |               | Other expenditure   |   |
|                             | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                             | -                 | -             | -             |                     |   |

| PROJECT NAME :         | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|------------------------|-------------------|---------------|---------------|---------------------|---|
| Debt Impairment: Water | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:        |                   |               |               |                     |   |
|                        |                   |               |               |                     |   |
| PROGRAMME              | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                        |                   |               |               | Other expenditure   |   |
|                        | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                        | -                 | -             | -             |                     |   |

| PROJECT NAME :    | DISCRIPTION VOTE: |               |               | KPA 3:              | IDP OBJECTIVE:                          |
|-------------------|-------------------|---------------|---------------|---------------------|---|
| Deeds Search Fees | 0020              |               |               | Financial Viability | To implement sound financial management |
| PROJECT NUMBER:   |                   |               |               |                     |   |
|                   |                   |               |               |                     |   |
| PROGRAMME         | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                   |                   |               |               | Other expenditure   |   |
|                   | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                   | -                 | -             | -             |                     |   |

| PROJECT NAME :                   | DISCRIPTION VOTE: |               |               | KPA 5:              | IDP OBJECTIVE:  |
|----------------------------------|-------------------|---------------|---------------|---------------------|---|
| Deposits: Hiring of Halls Refund | 0020              |               |               | Good Governance     | To prevent misuse of municipal equipment and property |
| PROJECT NUMBER:                  |                   |               |               |                     |   |
|                                  |                   |               |               |                     |   |
| PROGRAMME                        | SCOA FUNDING      |               |               | GRAP CLASSIFICATION |   |
|                                  |                   |               |               | Other expenditure   |   |
|                                  | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                     |   |
|                                  | -                 | -             | -             |                     |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 1:                            | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|-----------------------------------|---|
| Depreciation    | 0020              |               |               | Service Delivery                  | To ensure proper operation and maintenance of existing infrastructure and equipment |
| PROJECT NUMBER: |                   |               |               |                                   |   |
|                 |                   |               |               |                                   |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION               |   |
|                 |                   |               |               | Depreciation and asset impairment |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                   |   |
|                 | -                 | -             | -             |                                   |   |

| PROJECT NAME :  | DISCRIPTION VOTE: |               |               | KPA 1:                            | IDP OBJECTIVE:  |
|-----------------|-------------------|---------------|---------------|-----------------------------------|---|
| Depreciation    | 0020              |               |               | Service Delivery                  | To ensure proper operation and maintenance of existing infrastructure and equipment |
| PROJECT NUMBER: |                   |               |               |                                   |   |
|                 |                   |               |               |                                   |   |
| PROGRAMME       | SCOA FUNDING      |               |               | GRAP CLASSIFICATION               |   |
|                 |                   |               |               | Depreciation and asset impairment |   |
|                 | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |                                   |   |
|                 | -                 | -             | -             |                                   |   |



| PROJECT NAME :                 | DISCRIPTION VOTE: |               |               | KPA 1:   | IDP OBJECTIVE:   |
|--------------------------------|-------------------|---------------|---------------|--|--|
| Disciplinary Hearings Expenses | 0020              |               |               | Municipal Transformation and Institutional Development | To attract develop and retain ethical and best human capital |
| PROJECT NUMBER:                |                   |               |               |  |  |
|                                |                   |               |               |  |  |
| PROGRAMME                      | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |  |
|                                |                   |               |               | Other expenditure                                      |  |
|                                | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |  |
|                                | -                 | -             | -             |  |  |

| PROJECT NAME :                       | DISCRIPTION VOTE: |               |               | KPA 1:   | IDP OBJECTIVE:   |
|--------------------------------------|-------------------|---------------|---------------|--|--|
| Donations: Fraserburg Kambro Project | 0020              |               |               | Municipal Transformation and Institutional Development | To attract develop and retain ethical and best human capital |
| PROJECT NUMBER:                      |                   |               |               |  |  |
|                                      |                   |               |               |  |  |
| PROGRAMME                            | SCOA FUNDING      |               |               | GRAP CLASSIFICATION                                    |  |
|                                      |                   |               |               | Other expenditure                                      |  |
|                                      | 2017/<br>2018     | 2018/<br>2019 | 2019/<br>2020 |  |  |
|                                      | -                 | -             | -             |  |  |

## FUNDED PROJECTS FOR THE 2016/2017 FINANCIAL YEAR

For the 2016/2017 financial year Council received funding for the Sutherland Storm Water Treatment Project, Sutherland Sports Ground upgrading of the Fraserburg Power Supply and electrification of 15 BNG Houses, and a EPWP incentive grant for the upgrading of streets in Fraserburg, Williston and Sutherland and paving of streets in Sutherland.

| Project Nr:  | Project Name:  |               |               |               | Location:            |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|----------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Sutherland Bulk Water                                      |               |               |               | Ward 4               |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:              |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               | Construction         |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                      |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Community of Sutherland                                    |               |               |               |                      |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                 |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits Construction  | Municipal Manager<br>Head of Infrastructure<br>IDP Manager |               |               |               | 1                    | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                      |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2014/<br>2015 | 2015/<br>2016 | 2016/<br>2017 | Financing Resources: |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| R 6 582.400.00   |  |               |               | X             | MIG                  |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:  | Location:                         | EIA Required: |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
|--|--|-----------------------------------|---------------|---------------|----------------------|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
|  | Sutherland Sport Ground                                    | Ward 4                            | N/A           |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Objective:   | Indicators:  | Status:                           | PRIORITY      |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Address social challenges that hinder economic development       | KPA 2/KPA 3  | Awaits Funding and Implementation | High          |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Project Output:  | Target Group/Area  |                                   |               |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Develop or identify infrastructure to support welfare programmes | Community of Sutherland                                    |                                   |               |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Main Activities:   | Responsible Person:  | 2012                              |               |               |                      | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   | 2016 |   |   |   |
| Awaits Construction  | Municipal Manager<br>Head of Infrastructure<br>IDP Manager | 1                                 | 2             | 3             | 4                    | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
|  |  |                                   |               |               |                      |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Cost :   | 2013/<br>2014  | 2014/<br>2015                     | 2015/<br>2016 | 2016/<br>2017 | Financing Resources: |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| R 1 161.600.00   |  |                                   |               | X             | MIG                  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:  |               |               |               | Location:              |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|------------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Upgrade of Streets   |               |               |               | Ward 1, Ward 2, Ward 4 |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:                |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2/KPA 3  |               |               |               | Awaits Funding         |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                        |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Communities of Fraserburg, Williston and Sutherland        |               |               |               |                        |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                   |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits funding   | Municipal Manager<br>Head of Infrastructure<br>IDP Manager |               |               |               | 1                      | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                        |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2014/<br>2015 | 2015/<br>2016 | 2016/<br>2017 | Financing Resources:   |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| R 1 million  |  |               |               | X             | EPWP                   |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:   |               |               |               |                      | Location:                       |   |   |   |      |   |   |   | EIA Required: |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
|--|---|---------------|---------------|---------------|----------------------|---------------------------------|---|---|---|------|---|---|---|---------------|---|---|---|------|---|---|---|------|---|---|---|--|--|--|--|
|  | Upgrading of Fraserburg Power Supply and electrification of 15 BNG Houses |               |               |               |                      | Ward 2                          |   |   |   |      |   |   |   | N/A           |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| Objective:   | Indicators:   |               |               |               |                      | Status:                         |   |   |   |      |   |   |   | PRIORITY      |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| To enhance service delivery through infrastructure development | KPA 2   |               |               |               |                      | Awaits Funding and Construction |   |   |   |      |   |   |   | High          |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| Project Output:  | Target Group/Area   |               |               |               |                      |                                 |   |   |   |      |   |   |   |               |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| Infrastructure for proper service delivery                     | Community of Fraserburg   |               |               |               |                      |                                 |   |   |   |      |   |   |   |               |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| Main Activities:   | Responsible Person:   |               |               |               |                      | 2012                            |   |   |   | 2013 |   |   |   | 2014          |   |   |   | 2015 |   |   |   | 2016 |   |   |   |  |  |  |  |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager                |               |               |               |                      | 1                               | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1             | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |  |  |  |  |
|  |   |               |               |               |                      |                                 |   |   |   |      |   |   |   |               |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| Cost :   | 2013/<br>2014   | 2014/<br>2015 | 2015/<br>2016 | 2016/<br>2017 | Financing Resources: |                                 |   |   |   |      |   |   |   |               |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |
| R 1 600 000.00   |   |               |               | X             | INEP                 |                                 |   |   |   |      |   |   |   |               |   |   |   |      |   |   |   |      |   |   |   |  |  |  |  |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr: 5.1.33   | Project Name:  |               |               |               |                      | Location:                       |   |   |   |      | EIA Required: |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
|--|--|---------------|---------------|---------------|----------------------|---------------------------------|---|---|---|------|---------------|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
|  | Williston Bulk Water Supply                                |               |               |               |                      | Ward 1                          |   |   |   |      | Completed     |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Objective:   | Indicators:  |               |               |               |                      | Status:                         |   |   |   |      | PRIORITY      |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               |                      | Awaits Funding and Construction |   |   |   |      | High          |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                      |                                 |   |   |   |      |               |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Infrastructure for proper service delivery                     | Community Williston  |               |               |               |                      |                                 |   |   |   |      |               |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               |                      | 2012                            |   |   |   | 2013 |               |   |   | 2014 |   |   |   | 2015 |   |   |   | 2016 |   |   |   |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager |               |               |               |                      | 1                               | 2 | 3 | 4 | 1    | 2             | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
|  |  |               |               |               |                      |                                 |   |   |   |      |               |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Cost :   | 2013/<br>2014  | 2015/<br>2016 | 2016/<br>2017 | 2017/<br>2018 | Financing Resources: |                                 |   |   |   |      |               |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| R 16 000 000.00  |  |               |               | X             | RBIG                 |                                 |   |   |   |      |               |   |   |      |   |   |   |      |   |   |   |      |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:  |               |               |               | Location:                       |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|---------------------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Sutherland Paving of Streets                               |               |               |               | Ward 4                          |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:                         |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               | Awaits Funding and Construction |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Community Sutherland                                       |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                            |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager |               |               |               | 1                               | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2015/<br>2016 | 2016/<br>2017 | 2017/<br>2018 | Financing Resources:            |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| R 1 000 000.00   |  | x             |               |               | MIG (Phula Nala)                |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |



## FUNDED PROJECTS FOR THE 2017/2018 FINANCIAL YEAR

| Project Nr:  | Project Name:  |               |               |               | Location:                       |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|---------------------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Paving of Streets  |               |               |               | Ward 1,2 and 4                  |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:                         |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               | Awaits Funding and Construction |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Community Sutherland                                       |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                            |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager |               |               |               | 1                               | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2015/<br>2016 | 2016/<br>2017 | 2017/<br>2018 | Financing Resources:            |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| R 97 000 000.00  |  |               |               | x             | MIG                             |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:  |               |               |               | Location:                       |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|---------------------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Serrvice of 150 erven                                      |               |               |               | Ward 1                          |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:                         |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               | Awaits Funding and Construction |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Community Sutherland                                       |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                            |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager |               |               |               | 1                               | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2015/<br>2016 | 2016/<br>2017 | 2017/<br>2018 | Financing Resources:            |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| N/A  |  |               |               | x             | COGTHA                          |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |

KAROO HOOGLAND MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2017-2018 NC066

| Project Nr:  | Project Name:  |               |               |               | Location:                       |   |      |   | EIA Required: |   |      |   |      |   |   |   |   |   |   |   |
|--|--|---------------|---------------|---------------|---------------------------------|---|------|---|---------------|---|------|---|------|---|---|---|---|---|---|---|
|  | Service of 100 erven                                       |               |               |               | Ward 4                          |   |      |   | N/A           |   |      |   |      |   |   |   |   |   |   |   |
| Objective:   | Indicators:  |               |               |               | Status:                         |   |      |   | PRIORITY      |   |      |   |      |   |   |   |   |   |   |   |
| To enhance service delivery through infrastructure development | KPA 2  |               |               |               | Awaits Funding and Construction |   |      |   | High          |   |      |   |      |   |   |   |   |   |   |   |
| Project Output:  | Target Group/Area  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Infrastructure for proper service delivery                     | Community Sutherland                                       |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Main Activities:   | Responsible Person:  |               |               |               | 2012                            |   | 2013 |   | 2014          |   | 2015 |   | 2016 |   |   |   |   |   |   |   |
| Awaits Funding and Construction                                | Municipal Manager<br>Head Of Infrastructure<br>IDP Manager |               |               |               | 1                               | 2 | 3    | 4 | 1             | 2 | 3    | 4 | 1    | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|  |  |               |               |               |                                 |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| Cost :   | 2013/<br>2014  | 2015/<br>2016 | 2016/<br>2017 | 2017/<br>2018 | Financing Resources:            |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |
| N/A  |  |               |               | x             | COGTHA                          |   |      |   |               |   |      |   |      |   |   |   |   |   |   |   |

DRAFT

## CHAPTER SEVEN: SECTOR PLAN INTERGRATION

This phase of the IDP serve to integrate issues raised ranging from the analysis phase. It gives a synopsis of available sector plans that were developed to contribute in addressing challenges identified in all institutional KPA's. The following tables serve to detail the sector plans developed and their role in aligning institutional policy.

### KPA 1: BASIC SERVICE DELIVERY

| Sector Plan and By Laws              | Summary  |
|--------------------------------------|--|
| <b>Spatial Development Framework</b> | <p>The purpose of a Spatial Development Framework is to provide general direction to guide Integrated Development Planning and decision making as well as actions over a multi-year period and to create a strategic framework for the formulation of appropriate land use management system.</p> <p>The compilation of a Spatial Development Framework was identified as an important Land Use Management tool that is aligned to the District SDF, PSDF and NSDP.. The SDF addresses the most prevalent spatial needs in the municipal area will be addressed. It incorporates a spatial settlement strategy that promotes mixed land use and enhances service delivery. In addition, the SDF clearly outlines the current situation, as well as the desired form and composition of the municipal settlement development by addressing:</p> <ul style="list-style-type: none"> <li>➤ Current trends regarding development and service</li> <li>➤ provision</li> <li>➤ Capital investment programmes/priority areas</li> <li>➤ Strategic Development Areas</li> <li>➤ Policy direction and objectives</li> <li>➤ Sustainable rural development</li> <li>➤ Urban development boundary</li> <li>➤ Movement</li> <li>➤ Nodal development</li> <li>➤ Density/settlements</li> <li>➤ Environmental management guidelines</li> <li>➤ Optimal location for Multi-Purpose Community</li> </ul> |
| <b>SPLUMA</b>                        | SPLUMA aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa.   |

|                                      |  |
|--------------------------------------|--|
|                                      | <p>SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning. SPLUMA also provides clarity on how planning law interacts with other laws and policies.</p> <p>The law is important because the repeal of many apartheid era laws has left our planning laws fragmented, complicated and inconsistent. For this reason, section 3 of SPLUMA says that the law tries to develop a 'uniform, effective and comprehensive system' of planning that 'promotes social and economic inclusion'.</p> <p>Although SPLUMA has progressive elements, the coming into effect of the law has been subject to <u>a lot of controversy</u> and <u>debate</u>. This is largely as a result of the powers that SPLUMA and its Regulations grant to traditional councils. While CLS (and others) have argued that SPLUMA and its Regulations <u>grant too much power to traditional councils</u>, the <u>traditional leadership lobby has resisted the Act</u> and has called for government to suspend its implementation on the basis that they were not consulted properly during the legislative process.</p> |
| <b>Refuse Removal</b>                | The purpose of the bylaw is to promote a safe and healthy environment to the residents of Karoo Hoogland and also to provide procedures, methods and practices to regulate refuse dumping and removal.   |
| <b>Waste bylaw</b>                   | The bylaw covers issues around waste management information system, basic services, commercial services, transportation and disposal waste. It also contains information regarding the administrative enforcement.   |
| <b>Electricity bylaw</b>             | The electricity supply bylaw was approved by council in terms of the Municipal Systems Act 32 of 2000. It provides conditions and also regulates supply of electricity in the municipal licensed areas (Williston and Fraserburg). Other areas of the municipality are supplied by ESKOM.  |
| <b>Environmental Management Plan</b> | The aim of the project is to develop an EMF that will guide local and provincial decision-making to manage sustainable development of the NDM. This EMF will outline the environmental, social and economic aspects of the NDM. The EMF will also provide the provincial, district and local authorities with decision support guidelines that will assist in executing their respective mandates in an  |

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|                                 | <p>objective and efficient manner. The specific objectives of the EMF include the following:</p> <ul style="list-style-type: none"> <li>➤ To develop an EMF and a SEMP to facilitate decision-making which will ensure sustainable management of the natural resources;</li> <li>➤ To provide strategic guidance on both environmental, economic and social issues in the EMF area;</li> <li>➤ To identify environmentally sensitive areas;</li> <li>➤ To identify the environmental and development opportunities and constraints;</li> <li>➤ To assess the economic and environmental potential of the area;</li> <li>➤ To provide a decision support system in respect of environmental issues and priorities in the EMF area;</li> <li>➤ To formulate a strategy that will incorporate issues such as land use, planning and sensitive environmental resources; and</li> <li>➤ To include existing policies as frameworks for establishing values, guidelines and standards for future developments.</li> </ul>  |
| <b>Biodiversity Sector Plan</b> | <p>The Karoo Hoogland LM (KHLM) encompasses an extensive area, and consists of a flat, undulating landscape, with mesa's dotted across the landscape. Rainfall occurs mostly in summer, with between 100-300mm expected per year. One of the SKEP priority areas, the Bokkeveld-Hantam-Roggeveld corridor, follows a south east trajectory through the municipality, encompassing Sutherland within its scope. This area – rigorously identified as key biodiversity rich locations within an already significant biodiversity hotspot - contains not only critical water management sites, but also a remarkable number of unique invertebrate and plant life.</p> <p>The Karoo Hoogland municipality is home to a wide variety of endemic bulbs, invertebrates and fauna. Primitive scarab beetles, monkey beetles – which are found almost exclusively in Southern Africa, within which distinct species are concentrated within different areas throughout the Succulent Karoo – as well as various bees and wasps, exist in this habitat that are found now here else on earth. These insects act as key pollinators within the area – enabling the continuation of</p> |

|                                 |  |
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|                                 | <p>floristic life and dynamism. The municipality also contains unique bird life and a wide variety of other insect life that distinguishes this region from the biodiversity located within all the other local municipalities in the district. The Roggeveld mountain range contains not only a high diversity of these insects, but also consists of catchment areas critical to water availability in the region. The conservation of the KHLM's biodiversity will do much to contribute to the future socio-economic well-being and development of all inhabitants of the municipality.</p>  |
| <b>Disaster Management Plan</b> | <p>The Namakwa District Municipality executed a detailed disaster hazard, vulnerability and risk assessment for its area of jurisdiction, including all six local municipalities.</p> <p>With this information it become possible to compile a disaster management level two plan. Mainly because the disaster management level 2 plan predominately focuses on the implementation of appropriate disaster risk reduction programmes, which is the main responsibility of the local municipality, these plans have to be aligned the IDP and SDF of each local municipality. Hence, this level 2 plan dealt with information relevant to the Karoo Hoogland Local Municipality (KHLM).</p> |

## KPA 2: LOCAL ECONOMIC DEVELOPMENT

| <b>Sector Plan</b> | <b>Summary</b>   |
|--------------------|--|
| LED Strategy       | <p>The goal of this document is to assist and support the Karoo Hoogland Local Municipality within the Namakwa District Municipality to generate a LED Strategy to ensure incorporation of the most recent development changes in the Local economy as well as the alignment with Provincial and National initiatives and to develop implementation plans. The LED study forms part of the IDP process and is one of the milestones toward achieving Local economic development within the Karoo Hoogland LM area. The purpose of the LED is for Karoo Hoogland Local Municipality to create the enabling environment to allow</p> |



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|  | <p>economic development to occur.</p> <p>The following actions were undertaken to prepare the LED:</p> <ul style="list-style-type: none"> <li>➤ Updated socio-economic and demographic information for the Karoo Hoogland Local Municipality through the use of secondary information (existing data bases)</li> <li>➤ To take Undertake an in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area</li> <li>➤ Capacity building of Local LED officials</li> <li>➤ Identify practical sectoral programmes that could be used as basis for pro-active economic development initiatives</li> <li>➤ Undertake focused analysis of key sectors taking cognizance of the first and second economy constraints and opportunities</li> <li>➤ To promote an inclusive, participatory process that integrates strategic planning, community participation, sustainability and good decision making with Local economic development</li> <li>➤ Emphasise Local job creation, alleviation of poverty and redistribution of opportunities and wealth</li> <li>➤ Focus explicitly on opportunities for SMME development in all economic sectors</li> <li>➤ Promote the creation of an enabling environment conducive for economic development by addressing human resource development and an institutional framework as key components of programmes and projects</li> <li>➤ Ensure that the development opportunities have a definite geographic and spatial orientation to provide guidance in terms of sustainable future</li> </ul> |
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|  | spatial development planning<br>➤ Ensure that the strategy aligns with and add value to the existing policies, strategies and private sector initiatives<br>➤ To provide a strategic framework for implementation of LED initiatives<br>➤ Develop viable LED projects as per the revised strategy (carry out individual project development projections) |
|--|--|

**KPA 3: FINANCIAL VIABILITY**

| <b>Sector Plan</b>             | <b>Summary</b>  |
|--------------------------------|---|
| <b>Financial Plan</b>          | <p>Financial plan that reflects three year financials has been developed and is clearly outlined in the analysis phase. This include an audit action plan that is aimed at responding to issues raised by the Auditor General. Issues that were raised by the AG reflect amongst others challenges that the municipality should attend to. Responses have been provided on challenges raised by the AG's report.</p>  |
| <b>Credit and Debt Control</b> | <p>The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c ). This report shall contain particulars on:</p> <p>Cash collection statistics, showing summarised debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.</p> <p>Performance of all areas against targets agreed to in item 3 of this policy document.</p> <p>If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by Council, the Chief Financial Officer will</p> |

|                              |   |
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|                              | <p>report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.</p> <p><b>OBJECTIVE</b></p> <p>To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.</p>  |
| <p><b>Property Rates</b></p> | <p><b>WHEREAS</b> section 3 of the Local Government: Municipal Property Rates Act, 2004 (No6 of 2004) determines that a municipality must adopt a rates policy in accordance to the determination of the Act., this document sets out the policy of Karoo Hoogland Municipality on the levying of rates on rateable property.</p> <p>The Municipality will, as part of each annual operating budget process, impose a rate in the rand on the market value of all rateable properties as recorded in the Municipality's valuation roll or supplementary valuation roll(s). Rateable property includes any rights registered against the property, with the exception of a mortgage bond. Generally, all land within a municipal area is rateable unless it is specifically exempted in terms of section 15 of the MPRA. Such exemptions apply to cemeteries, amateur sports grounds and properties owned by welfare organisations. A municipality must, in accordance with section 3 of the MPRA, adopt a rates policy that sets out the broad policy framework within which the municipality rates its area and must, in accordance with section 5 of the MPRA, review and if necessary amend its rates policy annually.</p> <ul style="list-style-type: none"> <li>➤ The objective of this policy is also to ensure that-</li> <li>➤ all ratepayers within a specific category</li> </ul> |

|  |   |
|--|---|
|  | <p>are treated equal and reasonable;</p> <ul style="list-style-type: none"> <li>➤ rates are levied in accordance with the market value of the property;</li> <li>➤ the rate will be based on the value of all rateable property and the amount required by the municipality to balance the operational budget, taking into account the surplus obtained from the trading- and economical services and the amounts required to finance exemptions, reductions and rebates that the municipality approve from time to time;</li> <li>➤ income from rates will be used to finance community- and subsidized services and not trading- or economical services;</li> <li>➤ to optimally safeguard the income base of the municipality through exemptions, reductions and rebates that is reasonable and affordable.</li> </ul> |
|--|---|

#### KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

| Sector Plan – Policies and bylaws | Summary   |
|-----------------------------------|---|
| Employment equity Plan            | <p>The employment equity policy is developed to promote equal opportunity, diversity and fair treatment in employment through the elimination of unfair discrimination regardless of race, gender, sex, pregnancy marital status, family responsibility, ethnic or social origin, colour etc.</p> <ul style="list-style-type: none"> <li>➤ Objectives of the Plan</li> <li>➤ The establishment and maintenance of workforce</li> <li>➤ Equal access to job opportunities</li> <li>➤ To identify barriers to employment</li> </ul> |

|                                       |  |
|---------------------------------------|--|
| Work Skills Plan                      | The municipality develops the WSP on annual basis. The purpose of the plan is to capacitate employees on skills they require to better perform their duties. A skill audit is done to identify scarce skills that the institution need for its development and sustainability.   |
| Occupational health and safety policy | The policy has been developed based on the provisions of the bill of rights as contained in the constitution of the Republic of South Africa Act 108 of 1996. The municipality is required to provide and maintain a reasonable and practical work environment that is safe and without risk to the health of the employees. |

**KPA 5: GOOD GOVERNANCE**

| <b>Sector Plan</b>                             | <b>Summary</b>  |
|--|---|
| <b>Ward Committees Policy</b>                  | The policy outlines roles functions of ward committees and also gives a guide on how ward committees are established. It further indicates the role communities in the establishment of these committees.   |
| <b>Anti-corruption and fraud strategy/Plan</b> | <p>The policy is developed to govern the reporting investigation and handling of fraud and other crimes of dishonesty. The municipality is committed in ensuring that fraud and corruption are dealt with severely. The policy is therefore based on the following principles:</p> <ul style="list-style-type: none"> <li>➤ To have high standard of business ethics</li> <li>➤ Maintain business control to protect all assets from crime and fraud</li> </ul> |

## CHAPTER 7: FINANCIAL PLAN

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### THE FININCIAL STRATEGY

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The financial framework wherein Council executes its mandate as a Category B, Grade 3 local authority finds its subsistence from the vision and mission statements of the municipality. The activities of Council are driven by their desire to fulfil the developmental role of a local authority and to maintain sustainable municipal services on a generally accepted standard to all its residents. Council endeavours to realise these aspirations within the essentiality of financial viability. Basic economic principles as well as good and sound business practices are taken into consideration when implementing operational activities as well as capital projects. In order to execute its mandate and fulfil in its desires it is essential that the municipality have access to adequate sources of revenue from both its own operations, intergovernmental transfers and external investors.

### GRANTS

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Grants received were expended during the period under review..

### SPENDING AGAINST CAPITAL BUDGET

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#### CAPITAL EXPENDITURE

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The funding for the capital budget is derived from Grants. All funds received were expended.

Due to the limited number of suppliers in the region it happens often that goods and services are procured from the sole suppliers.

Were applicable the municipality deviate into Section 36 of the Supply Chain Management Regulations.

### GRAP COMPLIANCE

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The Annual Financial Statements will be GRAP compliant and for this purpose Council appointed a qualified person to review the statements before submission.

### MSCOA COMPLIANCE

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All municipalities need to be SCOA compliant by 1 July 2017 the municipality conducted its first meeting on 6 October 2015 and the MSCOA Project Implementation team were established.

Section 216 of the Constitution of the Republic of South Africa, 1996 provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognized accounting practice (GRAP) uniform expenditure classifications and uniform treasury norms and standards. The Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003)(MFMA),

determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulations such measure in terms of section 168 thereof.

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. However currently each municipality manages and reports on its financial affairs in accordance with its own organizational structures and unique chart of accounts. The result is disjuncture amongst municipalities and municipal entities and between municipalities and other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

Consequently the Minister of Finance has in terms of section 168 of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003) and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazetted the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014. Municipal SCOA provides a uniform and standardized financial transaction classification framework. Essentially this means that mSCOA prescribed the method (the how) and format (the look) that municipalities and their entities should use to record and classify all legislative reporting. This is done at transactional level and ensures that a municipality and its entities have minimum business processes in place. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

The Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organizational uniqueness and structural differences. The Regulations provides for a three year preparation and readiness window and all 278 municipalities must be compliant to the mSCOA within its respective financial applications (systems) by 1 July 2017 going forward.

Chapter 6 of the MFMA tasks the municipal Manager of the municipality with managing the financial administration of the municipality. Since mSCOA is a municipal reform the Municipal Manager has the overall responsibility to manage the successful implementation of the mSCOA project within the municipality to ensure the municipality is able to capture all transactions (at posting level) in accordance with mSCOA within its respective financial applications by 1 July 2017.

The Municipal Manager can delegate some of these responsibilities and has tasked the mSCOA Steering Committee in writing, to advise the Municipal Manager and to drive and oversee the successful implementation of the Municipal Regulations on Standard Chart of Accounts in the municipality by 1 July 2017. To fulfill its responsibilities the mSCOA Steering Committee has assigned a Project Manager and mSCOA Project Implementation Team in writing on the terms set out below.

### **Terms of the Project Implementation Team:**

This Terms of Reference is effective from 06/10/2015 and shall continue until satisfactory implementation of mSCOA within the municipality and will only terminate by agreement of the Steering Committee, the Municipal Manager and the municipal council.

## Membership

The mSCOA Project Implementation Team led by the Project manager who was assigned by the mSCOA Steering Committee of the municipality should be a multi-disciplinary team and include the following functions and skills:

- Finance, budgeting and reporting
- Performance reporting;
- Risk Management/internal audit (as observers only);
- Engineering (project managers)
- Information technology; and
- Human Resources

Representatives of all departments should also be represented on the Project Implementation Team which should be chaired by the Project Manager duly assigned the role in writing. Team members should be assigned in writing and their performance agreements amended to accommodate the responsibilities.

The mSCOA Project Implementation Team of the municipality therefore comprise of the following

| NAME:             | TITLE: | DEPARTMENT/UNIT          | ROLE                  |
|-------------------|--------|--------------------------|-----------------------|
| GW von Möllendorf | Mr     | Municipal Manager        | Chair/Project Manager |
| SJ Myburgh        | Mr     | CFO                      | Member                |
| F Lötter          | Mr     | Acting Technical Manager | Member                |
| SJ Van Schalkwyk  | Mr     | Deputy CFO               | Member                |
| C Viljoen         | Me     | Administration           | Secretariat           |
| D Vermeulen       | Me     | SCM and Expenditure      | Member                |
| A Louw            | Me     | Income                   | Member                |
| A Gibbons         | Mr     | IDP Manager              | Member                |
| S Philander       | Me     | HR Manager               | Member                |

## Project Implementation Team Meetings:

The mSCOA Project Implementation Team should schedule formal meetings at least once a month and compile an agenda and meeting minutes to be maintained as part of the official project records for review purpose.

Team members should prepare for the meetings and contribute within their field of expertise and assigned role to ensure that full compliance is achieved by 1 July 2017.

## Visitors and observers to the mSCOA Project Implementation Team meetings;



The mSCOA Project Implementation Team may allow visitors/observers to attend their meetings and may invite guests to meetings.

Unless the Team requested a visitor to make presentation(s) relevant to mSCOA implementation any such visitor will only be allowed to attend the meeting in the capacity of an observer.

The following will enjoy a permanent invitation to attend meetings as observers:

- The mSCOA Steering Committee;
- The internal audit function of the municipality;
- The risk management function of the municipality;
- The representative of the Auditor General
- The representative of National or Provincial Treasury; and
- Any other observers agreed and invited by the Team.

### **Roles and Responsibilities of the mSCOA Project Implementation Team:**

- The responsibilities of the mSCOA Project Implementation Team are as follows:
- Prepare a mSCOA Project Implementation Plan including the required activities, allocated responsibilities for execution of the plan, assigned deliverables and acceptance criteria, and set timeframes for these deliverables, for submission to the mSCOA Steering Committee for consideration and approval;
- Prepare and maintain a mSCOA Project Risk Register detailing the identified project risks, evaluating these and allocating responsibility including mitigating measures, monitoring of the risk and reporting progress within set timeframes, for submission to the mSCOA Steering Committee for consideration and monitoring;
- Prepare and maintain a mSCOA Project Issue Log detailing the issues which have been encountered, together with the measures which were employed to address the issues and the results and cost thereof;
- To develop a resource plan for the mSCOA implementation project for submission to the mSCOA Steering Committee for consideration and approval;
- Regular reporting of the progress, risk register and issue log to the mSCOA Steering Committee for consideration and key decision making;
- To execute the approved project implementation plan, including but not limited to:
- Assign responsibilities to the Project Implementation Team to execute the plan and deliver all the deliverables documented in the plan;
- Ensure that mSCOA responsibilities are included in the Performance Agreements, Performance Evaluation Templates and other applicable documentation for all team members and other officials as identified by the Project Team,
- Identify and assign officials responsible and accountable for each of the identified risks, who will mitigate these risks and regularly report on progress;
- Monitor and report on progress in terms of each of the deliverables and mSCOA Segments and related project activities, within the implementation team and to the mSCOA Steering Committee; and
- Assist with any risk evaluations, internal or external audit reviews of the mSCOA project.

- Ensure organisational awareness of mSCOA by means of internal workshops, information sharing and feedback across the municipality, the various internal committees and the municipal council;
- Ensure that mSCOA is adopted as a permanent standing item on the senior management meeting (MANCO) agenda for Tracking Progress and Noting Institutional Risk;
- Oversee regular mSCOA risk assessments, development and updates of a mSCOA risk register, and monitor the implementation of mitigating action plans;
- Table a mSCOA progress report, including the updated risk register with the municipal council on a quarterly basis;
- Ensure the municipality's current chart is compared on an account by account level to the Municipal Regulations on a Standard Chart of Accounts (Regulations on mSCOA) (all 7 segments). Any anomalies must be documented and a copy provided to the relevant provincial treasury;
- Ensure the Function Segment of the Regulations on mSCOA classification framework is matched to the current vote and cost centre structures operational in the municipality. Identify and document any anomalies and provide a copy to the relevant provincial treasury;
- Consider the impact of the Regulations on mSCOA on business processes and develop a business process implementation plan to address change, with specific regard to, among others:
- Impact on municipal Functions (Vote Structure, Internal Operational Work Flows, Costing Methodology, etc.)
- Impact on Operational and Capital Projects (Setting Up Project based Budgeting).

***Only once the National SCOA Project Team has concluded their engagement with all systems vendors in the local government sphere and advised the municipality on the appropriate way forward -***

- Ensure the assessment of current Information Technology infrastructure requirements and that any modifications are conducted with implementation plans to address current infrastructure needs;
  - Oversee the appointment process for the accounting and other systems' service provider(s) by means of providing input to the bid specification and evaluation processes;
  - Review the Service Level Agreement with the successful service provider(s) to ensure that all mSCOA requirements are addressed and value for money is achieved;
  - Preparation of a detailed project implementation plan for data conversion and movement to the mSCOA compliant system once the service provider is appointed, with input from all the relevant stakeholders; and
  - Facilitate the budgetary planning provisions of mSCOA to ensure that the project is adequately funded for its implementation.
- 
- Foster collaboration between the municipality, service providers, National/Provincial Treasury and other key stakeholders through:
  - Engagement meeting(s) with the Service Provider, clarification of roles and responsibilities, and timeframes;
  - Finalize the Memorandum of Agreement (MoA) or Service Level Agreement (SLA) for approval by the municipal manager;

- Establish vendor target dates for converting data and implementation - incorporate into the mSCOA project implementation plan;
- Attend and participate in Vendor forums, user groups and progress meetings;
- Monitor the municipality's implementation progress and compliance against the Regulations on mSCOA, National Treasury and Provincial Treasury communications; and
- Ensure that the Project Manager/ municipality maintains ongoing communications with National and Provincial Treasury during the implementation of the project.

**Reporting:**

The mSCOA secretariat will on behalf of the Project Team (with the input from each member of the project team) monthly prepare a written report reflecting in a clear and concise manner the progress against the mSCOA project plan, timeframes and mSCOA risk register. The monthly report must be provided to the municipal manager/project sponsor on/before the **xxx date** of each month. An aggregated report must be compiled for each quarter and submitted to the Municipal Manager/project sponsor on/before **xxx date** of the quarter for tabling to the municipal council.

**Each member of the mSCOA Project Implementation Team commits to:**

- Attend all scheduled mSCOA Project Team meetings and if necessary, with the approval of the Project Manager, nominate a proxy to attend on his/her behalf;
- Make timely decisions and implement the required action plans in order to avoid delays in the project implementation;
- Implement action plans to address issues/obstacles, therefore ensuring the successful implementation of the project;
- Maintain the focus of the Project Team/municipality on the agreed scope, outcomes and benefits;
- Provide monthly/quarterly updates and reports to the Municipal Manager/project sponsor and municipal council on the implementation of the project; and
- To be open and honest and act in the best interest of the municipality in all discussions.

**Rights of members of the mSCOA Project Implementation Team:**

- Each member of the Project Team has the right to be informed of Project Team meetings, in writing and timely;
- Each member of the Project Team has the right to be provided with complete, accurate and meaningful information in a timely manner by respective

persons/departments in the municipality relevant to the implementation of the Municipal Regulation on SCOA;

- Each member of the Project Team must be given reasonable time to make key decisions; and
- Each member of the team must be alerted to potential risks and issues that could impact the successful implementation of SCOA, as they arise. It will be the responsibility of the risk owner or any official (for the first time) becoming aware of such risk or issue, to inform the Project Manager/ Administrative Coordinator so that he/ she can inform the Project Team members.

### **Meetings of the Project Implementation Team:**

- All meetings of the Project Team will be chaired by the Project manager (insert designation and name );
- There will only be a quorum present at the Project Implementation Team meeting if xx (insert number or % of) members of the mSCOA Project Implementation Team is present/represented;
- The Project Team shall meet, at a minimum, once every week, until complete implementation of the Municipal Regulation on SCOA. As the need arises, the frequency of the meetings may be increased or reduced, as per a formal resolution of the Project Team;
- Decisions will be made by consensus. If not possible, the Municipal Manager/project sponsor shall have the casting vote in determining the final decision of the mSCOA Project Team;
- The secretariat of the mSCOA Project Team will be appointed by the Project Manager and, will be responsible for preparing the agenda, minutes of meetings and supporting documentation;
- The agenda will be set by the secretariat of the mSCOA Project Team in consultation with its team members. Agenda items should be submitted at least one week (to be decided) prior to a meeting unless it is brought to the meeting as an item requiring urgent attention;
- Proposed agenda items should be accompanied by a short description as well as suggested solutions and relevant documentation (if any); and
- Notice of Project Team meetings must be provided in writing xxx working days before each meeting and must include the proposed agenda and the relevant project documentation.

### **Code of Conduct of mSCOA Project Implementation Team Members:**

- Members should agree to the written assignment of these duties and diligently perform same to achieve compliance with the regulations;
- Members should act in good faith in the best interests of the municipality at all times;
- Members should promptly complete all assigned duties and tasks;
- Members should compile and submit required documentation and reports timely for review by the Project Implementation Team before submission for approval to the same;
- Members should assist the steering committee in the execution of their oversight duty;
- Members should assist the risk managers, internal and external auditors and provide all records and documentation requested by them for review and oversight purposes;

- Members should actively participate in all forums, training and capacity building initiatives applicable to the execution of this project; and
- Members should be advocates for change across the municipality and share their knowledge and experience in a positive and inspiring way.

### **Amendment, Modification or Variation of the Terms of Reference:**

This Terms of Reference may be amended, varied or modified in writing only after consultation and agreement by the mSCOA Project Team members and in consultation with the Municipal Manager/ project sponsor/ mSCOA Steering Committee.

## **CASH / LIQUIDITY POSITION**

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The effective management of cash as well as the maintenance of a cash flow model to ensure that the municipality will fulfil timorously in all its obligations towards service providers, personnel and other financial commitments is vital for both the short- and long-term survival of the municipality. In addition to budget control and management, a cash flow model is maintained to ensure that expenditure is incurred in line with the cash reserves available within the municipality.

## **SUSTAINABILITY**

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The effective continuation of municipal services is determined by the sustainability of the service. The budgets related to the services are balanced in order to ensure that the expenditure will be covered by the income. Said income is generated through the implementation of Council's tariff structure, which is based on affordability. The level of the services is in line with the affordability level of the community it serves. Due to an unemployment level, in excess of 40% there are a substantial number of poor households, which are not financially equipped to pay for the basic services provided. Hence, subsidisation is supplied be means of a differentiated tariff structure in which case the shortfall is financed from the equitable share from national government.

## **EFFECTIVE AND EFFICIENT USE OF RESOURCES**

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The utilisation of the Municipality's resources is guided by means of standard operating procedures or policy statements provided by the Council.

## **ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE**

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Since the Municipality's activities are mainly financed from public resources, it remains essential to enable to be accountable by means of various forums and processes. As required by legislation, amongst others the Municipal Finance Management Act, no 56 of 2003, the municipality endeavours to be accountable to all its stakeholders who are responsible for providing resources to the Municipality. The compilation of the Integrated Development Plan as well as the Budget is communicated by means of forum meetings and the ward committee system uphold by Council. Hereby all stakeholders can submit their needs and/or requirements for municipal services. As required by legislation, report

back meetings are to be held and Council meetings are open for attendance by any stakeholder. The annual reports, including the annual report from the Office of the Auditor General, are compiled within the prescribed format and timeframes.

## **REDISTRIBUTION**

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The Municipality endeavour to treat all people in terms of the Batho Pele principles. A basic level of municipal services is available to all the residents, regardless of their own financial capacity. In case where a basic municipal service is not affordable to a resident, it is financed from the equitable share from national government.

## **DEVELOPMENT AND INVESTMENT**

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Due to the backlogs in basic services, it is essential that the Municipality continue to invest in the development and maintenance of infrastructure to address these backlogs. Council is addressing this matter by means of the Integrated Development Plan as well as the Capital Program.

## **BORROWING**

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Through the various capital markets as well as other financial institutions, financial resources are available to address the backlog in infrastructure development. It is however, essential that a Loan Redemption Fund be maintained which is substantiated by means of a cash investment, in order to fulfil timorously in debt repayment without extraordinary fluctuations in tariffs.

## **FINANCIAL MANAGEMENT STRATEGIES AND PROGRAMMES**

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The following financial management strategies and programmes were identified and implemented:

### **ASSET MANAGEMENT PLAN**

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A computerised bar-code asset management system is maintained in order to ensure accountable utilization and reporting on assets.

### **BUDGETARY OFFICE**

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The establishing of a budget office in terms of the determination of the Municipal Finance Management Act, no 56 of 2003.

### **FINANCIAL SCHEDULE**

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The following 2016/2017 monthly budget reporting regulations schedules reflecting the financial status of the municipality are attach.

## CHAPTER 8: PERFORMANCE MANAGEMENT

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### BACKGROUND OVERVIEW

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Karoo Hoogland Municipality acknowledges the importance of performance management as a key driver to accelerate service delivery and improve accountability in local government. Improving accountability rests on the creating requisite structures, mechanisms and processes to create a culture of accountability and transparency. In this regard the municipality is committed to implementing a performance management system (PMS) that is commensurate with its resources and best suite its circumstances in order to inculcate a culture of performance amongst in its administration.

In fulfilment of the commitment to improve accountability, the municipality has developed a Performance Management Procedure Management (PMPM) to guide the implementation of the PMS through-out the municipal administration. In this regard, the municipality has outlined a process on the development of performance measures, key performance areas (KPAs), key performance indicators (KPIs) and targets to drive performance management. The municipal performance measures will help to formulate simple, measurable, attainable and realistic KPIs and targets for all the strategies and projects identified.

Performance monitoring has always been a major tool in ensuring quality service delivery, however the municipality has not yet cascaded PMS to the lower levels except for the section 57 managers and will fulfill this mandate on the successful implementation of the automated PMS.

### PURPOSE

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The purpose of the framework is to customize the principles and framework of performance management for Karoo Hoogland Local Municipality in order to provide policy measures and practical guidelines for the improvement of organisational and individual performance and service delivery. The Municipal Planning and Performance Management regulations of 2001, sec 7 (1) stipulates that a performance management system (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

### SCOPE OF APPLICATION

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The principles and framework of performance management in Karoo Hoogland Local Municipality applies to section 57 employees as well as other staff categories. Hence these policy measures are applicable to all employees of the municipalities employees, subject to the relevant regulatory prescripts. This includes fixed-term contract and permanent employees who are governed by collective agreements stemming from the bargaining council process.

## **THE CONSTITUTION OF THE RSA, 1996 (ACT 108 OF 1996)**

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The constitution (1996), section 152, dealing with the objects of local government, paves the way for performance management with the requirement for an “accountable government “. The democratic values and principles in terms of section 195(1) are also linked with the concept of, inter alia,; the promotion of efficient, economic and effective use of resources, accountable public administration, to be transparent by providing information, to be response to the needs of the community, and to facilitate a culture of public service and accountability amongst staff.

## **THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)**

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The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele Principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Act in reference requires the municipalities to:

- Develop a performance management system
- Set targets, monitor and review the performance of the municipality based on indicators
- linked to their Integrated Development Plan (IDP).
- Publish an annual performance report on performance of the municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Conduct, on a continuous basis, an internal audit of all performance measures.
- Have their annual performance report audited by the Auditor – General.
- Involve the community in setting indicators and targets and reviewing municipal performance.
- The municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

## **LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998 (ACT 117 OF 1998)**

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- The needs of the community.
- Its priorities to meet those needs.
- Its processes for involving the community.
- Its organisational and delivery mechanisms for meeting the needs of the community; and
- Its overall performance in achieving the objectives referred to in subsection. Municipal
- Council must further develop mechanisms to consult the community and community
- Organisations in performing its functions and exercising its powers.

## **THE MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS(NO 796, 24 AUGUST 2001)**

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The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal performance management systems. Each component of the proposed framework in this document is strongly informed by the Regulations.



The Regulations deal with provisions for the following aspects of the Performance Management System:

- a) The framework that describes and represents the municipality's cycle and processes for the Performance management system and other criteria and stipulations, and the adoption of the Performance Management System;
- b) The setting of performance targets, and the monitoring, measurement and review of performance;
- c) Internal Auditing of performance measurements;
- d) Community participation in respect of performance management.

### **REGULATIONS FOR MUNICIPAL MANAGERS AND MANAGERS REPORTING DIRECTLY TO MUNICIPAL MANAGERS, 2006**

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The regulation describing the process of how the performance of municipal managers will be, describing the process of how the performance of municipal managers will be uniformly directed and monitored. They address the job description, employment contract, as well as the performance agreement that is to be entered into between respective municipalities, municipal managers and managers directly accountable to municipal managers.

### **THE MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003**

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It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with the service delivery targets and performance indicators. Whilst considering and approving the annual budget the municipality must also set measurable targets for each revenue source and vote. In terms of a circular issued by National Treasury, provision is also made to the compilation on an annual basis of department SDBIP'S.

### **BATHO PELE (1998)**

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The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight Principles for good public service that should be encapsulated in a municipal performance management system, namely;

- a) Consultation: citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services that are provided.
- b) Service standards: citizens should know what standard of service to expect.
- c) Access: all citizens should have equal access to the services to which they are entitled.
- d) Courtesy: citizens should be treated with courtesy and consideration.
- e) Information: citizens should be given full and accurate information about the public services they are entitled to receive.
- f) Openness and transparency: citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) Redress: if the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are

made, citizens should receive a sympathetic, positive response.

“Importantly, the Batho Pele white Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture”- The White Paper on Local Government (1998).

## **OBJECTIVES OF THE PERFORMANCE MANAGEMENT FRAMEWORK**

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The objectives of institutionalising Performance Management System, beyond the fulfilling of legislative requirements, is to serve as a primary mechanism to monitor, review and improve the implementation of the municipality's IDP. In doing so, it should fulfil the following functions:

- Achieve sustainable improvement in service delivery,
- To promote a culture of performance management among its political structures, political
- office bearers and councillors and its administration,
- To administer municipal affairs in an economical, effective, efficient and accountable manner,
- To align employee's performance to the departmental strategic and operational goals,
- To provide a systematic framework for performance planning, performance monitoring and review and performance appraisal.
- To promote a shared sense of responsibility amongst staff for the achievement of strategic goals and objectives
- To promote a culture of transparency and participation through open dialogue about goals and the achievement thereof, personal development, and performance improvement,
- To encourage managers to effectively create conditions for staff to perform optimally,
- To provide a framework of assessment for identifying good and poor performance and to act appropriately through development and the recognition and rewarding of good performance and Encourage and reward good performance

## **INITIALIZING THE PMS**

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Initialising a PMS in Karoo Hoogland Municipality is a phase that involves the development of a framework within which performance management process will happen. It involves where performance management starts and what should be done to make it work as outlined in the figure below:

## **DELEGATION OF RESPONSIBILITIES**

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Municipal Systems Act of 2000, no 32 of 2000(sec 39) dictates apart from establishing a PMS system, how a municipality must develop and manage the system. The Act as in section 39 identifies the role-players that are mainly responsible for managing the system. “The executive committee or executive mayor of a municipality or, if the municipality does not have an executive committee or an executive mayor, a committee of councillors appointed by the municipal council must:

- a) Manage the development of performance management system;
- b) Assign responsibilities in this regard to the municipal manager, and
- c) Submit the proposed system to the municipal council for adoption”.

The Mayor is responsible for overseeing the implementation of the PMS of the municipality. The Mayor of Karoo Hoogland Local Municipality therefore must officially delegate the relevant responsibilities to Municipal Manager.

## **DEVELOPMENT OF THE PMS**

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The Processes for developing PMS involves the assessment of how planning, implementation and monitoring and the gaps of IDP and PMS are dealt with.

## **RELATIONSHIPS BETWEEN IDP AND PMS**

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The Integrated Development Planning process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of Performance Management System. Performance Management System fulfils the implementation management, monitoring and evaluation of the IDP process.

## **ASSESSMENTS**

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The municipality/council need to conduct assessment on how planning, implementation and monitoring happen within the municipality; this will assist to identify gaps in terms of IDP and the requirements of the performance management.

## **CREATING STRUCTURES FOR PUBLIC PARTICIPATION**

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Karoo Hoogland Municipality will use the IDP Representative Forum as the structure for Stakeholder participation in Performance Management System. As far as possible; the Performance Management structures for Municipality should be the same as those of the IDP.

## **PUBLICATION OF THE SYSTEM**

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After the reviewed of the framework the municipality shall take the framework to the public for public comments together with the key performance indicators and targets in accordance with its Integrated Development Plan. This shall be done before the commencement of the financial year and also as part of the publication of the IDP review document of the following financial year.

## **ADOPTION OF THE SYSTEM**

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Public comments will be taken into consideration when adopting the final system. Following the incorporation of the public comments into the draft system, the final draft should be prepared for submission to Council. The Council should adopt the system when it is satisfied that the process was handled in accordance with the legislation and the proposed system complies with the requirements of the law.

## **PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT**

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The following are principles that inform the development and implementation of Performance Management System in Municipality.

### **SIMPLICITY**

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The system must be simple and user friendly that will assist the municipality to operate within the capacity of its financial, human resources and information management system.

### **POLITICALLY DRIVEN**

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The above legislation clearly tasks the municipal council and the mayor as the owner of the PMS while the Executive management drive the implementation and improvement of the system.

### **TRANSPARENCY AND ACCOUNTABILITY**

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Members of the organization whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent. This can only be achieved by taking effective participation in the design and implementation of the system within the municipality. Again, the process must involve and empower communities so that they are able to understand how the municipality and its departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be available for other managers, employees, the public and specific interest groups.

### **INTEGRATION**

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The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

### **OBJECTIVITY**

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The system should be clear without any ambiguity; i.e. state what need to be measured to enhance objectivity and credibility.

### **SETTING MEASURES AND TARGETS**

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The setting of measures and targets happens during the IDP process and is linked to the strategic objectives of the IDP. Performance measures and targets are used to show how the Municipality is performing on its objectives. This stage comprises setting measures and targets, and then gathering data and information on these measures to assess the progress of the Municipality. Performance measurement allows Municipalities to compare their actual performance to their intended performance, and against nationally defined

minimum standards. It will also, in time, allow for the comparison of their performance against that of other Municipalities.

## **PERFORMANCE PLANNING**

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The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the Outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has underperformed.

## **PERFORMANCE MEASUREMENT**

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Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. The setting of measures and targets happens during the IDP process and is linked to the strategic objectives of the IDP. To ensure the integrity of the targets set, baseline information based on backlog and current performance should be used as the basis for setting sound measures and targets. Performance measurement allows the Municipality to compare their actual performance in relation to backlog and current performance.

## **PERFORMANCE MONITORING**

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Performance monitoring is an ongoing process by which a Manager accountable for a specific indicators set out in the organizational scorecard and a service delivery target contained in a SDBIP continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

## **PERFORMANCE ANALYSIS**

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Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

The analysis of the organizational and SDBIP scorecards by management should also ensure that quality performance reports are submitted to executive Committee and that adequate response strategies are proposed in cases of poor performance. Only once management has considered the scorecards, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the organizational and SDBIP scorecards be submitted to council for consideration.

## ORGANIZATIONAL LEVEL

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The organizational performance management system can be defined as the planning process whereby the organization set the strategic agenda, vision and mission, as well as strategic objectives for the upcoming financial year/s, and the desired performance results.

## PLANNING

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The Integrated Development Planning (IDP) process and the Performance Management Process should appear to be seamlessly integrated. The IDP fulfills the planning stage of performance management. Performance management fulfills the implementation management, monitoring and evaluation of the IDP process.

## PRIORITY SETTING

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In setting priorities municipality should consider the following:

- An assessment of development in the municipal area, identifying development challenges, marginalized and vulnerable citizens and communities
- A long term development vision for the municipal area that overcomes its development challenges
- A set of delivery priorities and objectives, based on identified needs, achievable in the current term of office, that would contribute significantly to the achievement of the development vision for the area
- A set of internal transformation strategies, priorities and objectives, whose achievement would
- enable the delivery and the realization of the development vision
- Additional projects identified in contributing to the achievement of the above objectives
- A financial plan and medium term income and expenditure framework that is aligned to the priorities of the municipality
- A spatial development framework
- To be useful in the management of performance, the IDP must provide very clear objectives, indicators by which to measure the achievement of the objectives and unambiguous targets for those indicators.

**The Karoo Hoogland Municipality's Integrated Development Plan (IDP) was prepared in terms of the Municipal Systems Act (Act 32 of 2000) and is hereby approved by Karoo Hoogland Municipal Council of:**

**Council Resolution: \_\_\_\_\_ date: \_\_\_\_\_:**

**Duly authorized Representative of the Municipality Mayor VC Wentzel**